

CITY OF RIO RANCHO, NEW MEXICO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the fiscal year ended
June 30, 2011**



CITY OF RIO RANCHO, NEW MEXICO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Issued by:
Department of Financial Services

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INTRODUCTORY SECTION

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City of Vision

Department of Financial Services

November 30, 2011

Honorable Mayor, Members of the City Council
And Citizens of the City of Rio Rancho

The Audit Act, NMSA 1978, Section 12-6-12, mandates that cities are required to undergo an annual single audit and produce a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of New Mexico. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rio Rancho for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organization chart and a list of City officials and administrative staff. The financial section includes the financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The schedule of expenditures of Federal awards required by the Single Audit Act is included in the single audit section along with the auditors' report on the internal control and compliance with applicable laws and regulations.

Clifton Gunderson LLP, a certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011, are free of material

misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rio Rancho is the third largest city in New Mexico with an estimated population of 87,521. The City is located in central New Mexico, northwest and adjacent to Albuquerque, New Mexico's principal city. The metropolitan area is serviced by east-west Interstate I-40 and north-south Interstate I-25. The Santa Fe railroad has a major rail line through Albuquerque. The Rail Runner rail provides commuter service between the near by communities of Bernalillo, Albuquerque, Los Lunas, and Santa Fe. There are two general aviation facilities, including the Albuquerque International Airport, that provide service to the metropolitan area.

The City was incorporated in 1981 and adopted a municipal charter as a home rule city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to approval of the Governing Body. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria no other governmental organizations are included in this report.

The City provides to its citizens those services that have proven to be necessary and meaningful and has done so with less City employees per capita than nearby cities. Major services provided under the general government and enterprise functions are: police and fire protection, emergency ambulance service, water and wastewater services, park and recreational facilities, libraries, senior services, street improvements and general administrative services. In 2008, the City created a strategic plan to establish priorities for city government. This plan represents the consensus that emerged from the collaborative effort of the City leadership, City employees, and

the community. This plan along with a status update can be found in the City's Fiscal Year 2012 Budget Document posted on the City's website.

FACTORS AFFECTING FINANCIAL CONDITION

The City's financial condition reflects a regional economy that is experiencing a slow economic recovery. While employment growth in New Mexico recently edged into positive territory, the housing market and construction activity remain weak. The good news is that commercial construction activity has picked up in Rio Rancho, including a few major projects, providing support to the City's gross receipts tax revenues and is expected contribute positively in terms of jobs and retail activity in the near future.

The City of Rio Rancho is the fastest growing city in the State of New Mexico. The City's population has increased almost 69.1 percent from 51,765 in 2000 to 87,521 in 2010. Rapid population growth coupled with the increased availability of credit during the housing boom led to a surge in the number of single-family housing permits issued in the City of Rio Rancho beginning in 2003 and ending in 2007. During this time annual permits issued rose steadily, peaking at an all-time high of 3,084 permits in 2007. As economic growth slowed in 2008 and the economy entered a recession in 2009, Rio Rancho housing market activity declined sharply. Since the peak in 2007, the number of housing permits issued declined almost 350 percent to 455 in 2010. From January to September of 2011, the number of housing permits is 39 percent below the 2010 level. This weakness in housing construction translated into a significant decline in the City's gross receipts tax revenues from Fiscal Year 2007 to Fiscal Year 2010 and significantly slowed the growth rate of City property tax revenues. Combined, gross receipts and property tax revenues make up approximately seventy five percent of City General Fund revenues. Moderate growth in gross receipts tax revenues was seen in Fiscal Year 2011, which is partly attributable to a 0.25 percent increase the City's gross receipts tax rate that was imposed in January of 2011.

Despite the slow economic recovery, the City has reason to be optimistic about Rio Rancho's medium-term outlook. In 2006 and 2007 the City of Rio Rancho established a Central Business District anchored by a 6,500 seat Multi-Purpose Event Center and construction of a new City Hall building. Since then, various institutions have opened in the Central Business District, including Hewlett Packard, which employs over 1,200 employees currently and plans to employ 1,350 employees by the end of 2012; Central New Mexico Community College opened its doors in the Fall of 2010 with an enrollment of approximately 1,400 students; and the University of New Mexico also opened the first building of a planned 12,000 student campus with a current enrollment of over 500 students.

Furthermore, construction of two hospitals in Rio Rancho has provided a bump in construction gross receipts tax revenues over the last year and is expected to generate 850 jobs including nurses, doctors, technicians, etc. Additional details on these and other major projects underway are included below:

- A new University of New Mexico 68-bed Sandoval County Regional Medical Center (Teaching Hospital) located near City Hall is expected to open in June of 2012.

- Presbyterian Health Care 68-bed Rust Medical Center and corresponding office complex at Unser and Westside Boulevards. The hospital is scheduled to open in October 2011.
- Premiere Cinemas opened an all-digital 14-screen (2,750-seat), 46,595 square-foot movie theater facility near the southwest corner of Southern and Unser in June of 2011.
- Adjacent to Presbyterian, developers have begun constructing public infrastructure for the Village at Rio Rancho, a 400,000 square foot mixed use development expected to begin construction in 2012.
- The Volcan Business Park offers 124-acres of shovel ready dirt for a light industrial project. Paseo del Volcan now connects downtown Rio Rancho to U.S. 550.

Long-Term Economic and Financial Planning. As noted above, with the assistance of a professional firm, the City adopted an in-depth Strategic Plan, the Governing Body and input from the community. Surveys were used and meetings were held with citizens to gather the community's views on the City's strengths and weaknesses and on the proposed strategic plan. A process has been implemented to accomplish the goals of the strategic plan, which is reported annually. This plan is also used to inform the long-term budget planning, including a service prioritization project, which will help to ensure that the City is using its resources in the most efficient and strategic manner.

The Development Services Department has completed the City's Comprehensive Plan. Specific area plans which are a part of the Land Use Element of the Comprehensive Plan are being developed to identify specific land uses throughout the City. The purpose of the Comprehensive Plan is to guide community development. It serves as a broad-based policy document used by the development community and staff to make recommendations on land use applications as well as to support the decisions the City Council makes on land use applications.

To facilitate and encourage retail and commercial growth and economic base jobs, Rio Rancho implemented an Economic Development Policy and Retail Strategy Plan. The City continues to utilize economic development incentives, such as the Gross Receipts Investment Policy or "GRIP" to attract new retail businesses. The most recent use of this tool was used to attract Rio Rancho Premiere Cinemas, the only movie theatre in Rio Rancho.

Rio Rancho is located in an arid region and water availability is of utmost importance to the City. In 2010 and 2011, the Governing Body approved a \$3 and \$2 surcharge, respectively, for a total of \$5 for each water customer in order to assist with the cost of water rights acquisition. This surcharge will be used solely to assist the City in meeting the State requirements to acquire sufficient water rights to offset the impacts of groundwater pumping.

Accounting System and Budgetary Control. Written financial policies were instituted in fiscal year 2006 as a basic framework for the financial management of the City of Rio Rancho. These policies are intended to assist members of the City of Rio Rancho Governing Body and City staff to evaluate current financial activities. These policies are to be reviewed on an annual basis in conjunction with annual budget. During the Fiscal Year 2011, the Financial Services staff provided comprehensive training to City of Rio Rancho employees on various financial activities, such as budgeting, contracts, procurement, and grant applications and management. The purpose of this training was to train employees on Financial Services Department policies and procedures, enhance controls over these areas, and increase operating efficiencies.

The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the Governing Body shall adopt the annual budget prepared by the City Manager. The budget is reviewed by the Governing Body and is formally adopted by the passage of a budget resolution. The City Manager has limited authority to transfer budgeted amounts between line items within divisions of any fund; however the Governing Body must approve any revisions that alter the total expenditures of any fund.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City department management and to others upon request. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly. Lastly, quarterly budget updates are submitted to the State Department of Finance and Administration Local Government Division, pursuant to state law.

Employee Health Care and Pension Plans. The City's medical plan is a self-funded medical plan and the City offers a choice of medical plans and a choice of either the Presbyterian or Lovelace provider network. The City also provides dental insurance through a self-funded dental plan. The City offers a flexible spending account program which provides employees with the opportunity to set aside dollars on a pre-tax basis in either a Healthcare Reimbursement Account or a Dependent Care Reimbursement Account. The City also offers life and disability insurance on a voluntary basis.

Substantially all full-time employees of the City participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article II NMSA 1978). The defined benefit plan provides for retirement, disability benefits, and survivor benefits to plan members and beneficiaries.

The City became a member of the New Mexico Retiree Health Care Authority on July 1, 2007 to provide retirement health care for employees.

Budget and Accounting Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Rio Rancho for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This is the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must

publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) of the United States and Canada presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year ending June 30, 2011, which was the fifth consecutive year that the City received this award. The Distinguished Budget Presentation award is presented to those government units whose budgets are judged and adhere to strict program standards. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The award represents significant achievement and reflects the commitment of the Governing Body and staff to meeting the highest principles of government budgeting. We believe our current budget continues to conform to program requirements.

The City of Rio Rancho also received its 15th Certificate of Achievement Budget Award from the New Mexico Department of Administration. The award is based on the similar criteria used for the GFOA Distinguished Budget Presentation award.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. We express our sincere appreciation to Marta Ortiz and Accounting Staff for the contributions made in the preparation of this report.

Respectfully submitted,

James C. Jimenez
City Manager

Olivia Padilla-Jackson
Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

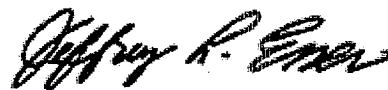
City of Rio Rancho
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

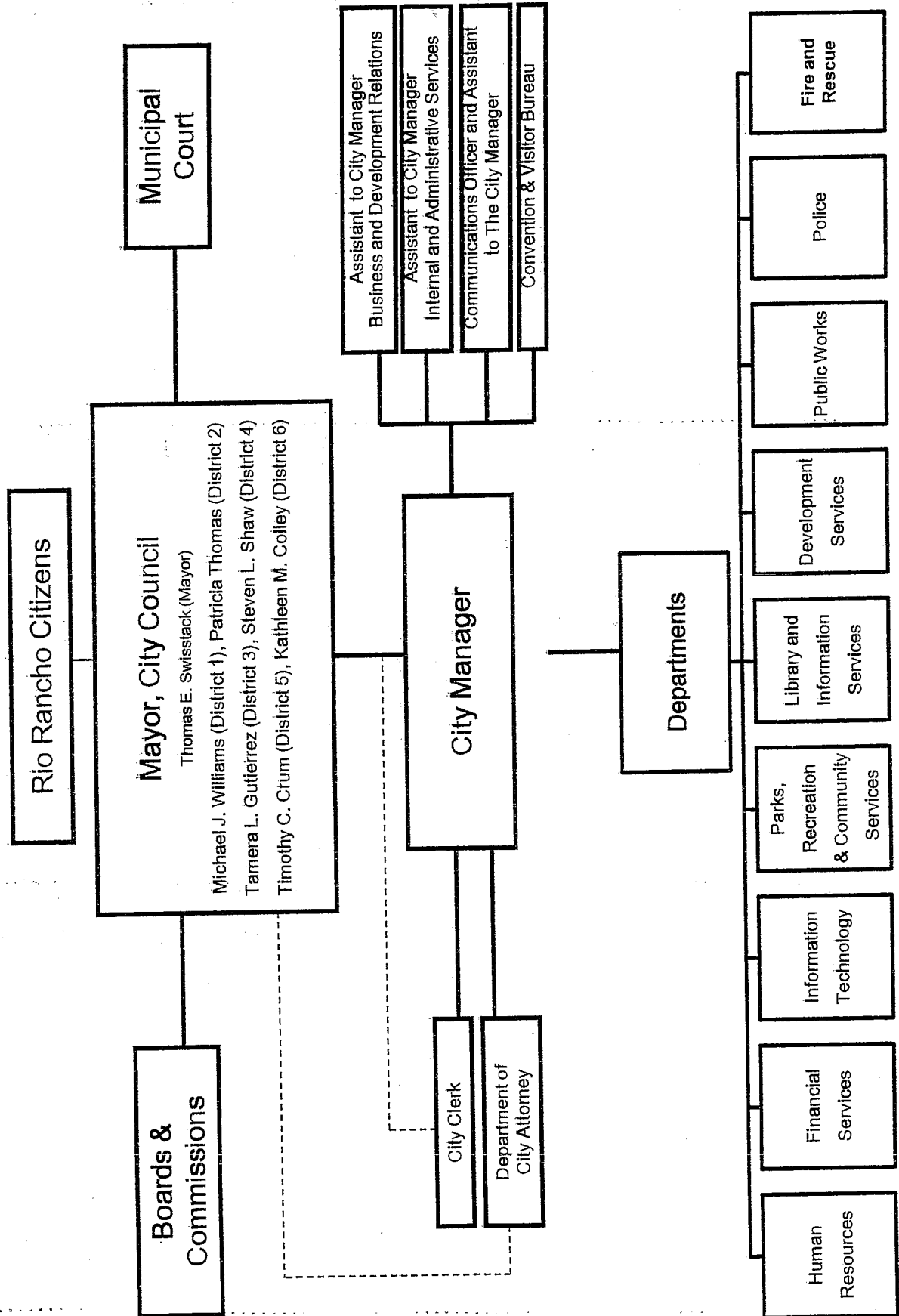


President



Executive Director

City of Rio Rancho Organizational Structure



CITY OF RIO RANCHO, NEW MEXICO

OFFICIAL ROSTER

MAYOR AND CITY COUNCIL

Thomas E. Swisstack, Mayor

Michael J. Williams, Councilor, District 1

Patricia A. Thomas, Councilor, District 2

Tamera L. Gutierrez, Councilor, District 3

Steven L. Shaw, Councilor, District 4

Timothy C. Crum, Councilor, District 5

Kathleen M. Colley, Councilor, District 6

ADMINISTRATIVE OFFICIALS

James C. Jimenez, City Manager

Roman Montoya, City Clerk

Olivia Padilla-Jackson, Director of Financial Services

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FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the City of Rio Rancho, New Mexico, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, fiduciary funds, internal service funds, and the budgetary comparisons for the major capital projects funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fiduciary, and internal service funds of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary

comparisons for the major capital projects funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 19 through 33 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules, including the Schedule of Changes in Assets and Liabilities for Agency Funds, listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Albuquerque, New Mexico
November 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

As management of the City of Rio Rancho (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for 2011 as follows:

- In the Statement of Net Assets the City's total net assets of governmental activities increased \$5.7 million to \$264.3 million and business-type activities increased \$19.3 million to \$172.1 million representing 60.5 percent and 39.5 percent respectively, of the total net assets of \$436.4 million.
- In the Statement of Activities the total governmental activities revenues amounted to \$94.6 million, of which general revenues from governmental activities accounted for \$50.4 million in revenue or 53.3 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$44.2 million or 46.7 percent of total governmental activities revenues.
- In the Statement of Activities the total business-type activities revenues amounted to \$51.0 million, of which general revenues from business-type activities accounted for \$5.3 million or 10.5 percent of all revenues from business-type activities. Program specific revenues in the form of charges for services and capital contributions accounted for \$45.7 million or 89.5 percent of business-type activities.
- In the Statement of Activities the City had \$88.9 million in expenses related to governmental activities, of which \$44.2 million of these expenditures were offset by program specific charges for services or grants and contributions. General revenues of \$50.4 million were adequate to provide for the remaining costs of these programs. The City had \$31.6 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and capital grants and contributions of \$45.7 million.
- The General Fund had \$50.7 million in revenues, which primarily consisted of taxes and charges for services. The total expenditures of the General Fund were \$48.7 million. The General Fund's fund balance increased \$2.2 million to \$13.3 million, partially due to the restatement for GASB 54, which is an increase of 20.3 percent.
- Net assets of the Enterprise Funds increased \$19.4 million. Operating revenues of \$33.2 million exceeded operating expenses of \$26.0 million. Non-operating expenses of \$7.3 million exceeded non-operating revenues of \$7.0 million.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements, the City's activities are presented in the following categories.

- ***Governmental activities*** – Governmental activities include most of the City's basic services such as general government, public safety, public works, culture and recreation, and economic development. Gross receipt taxes, municipal and State shared taxes, intergovernmental revenues and charges for services finance most of these activities.
- ***Business-type activities*** – Business-type activities include water utility, wastewater utility, and event center activities provided by the City. These services are typically financed through user fees and charges.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are on pages 45 and 49, respectively.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Safety Grants, Infrastructure, and Bond Construction 2009 Bonds Funds as these funds are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules on pages 102-124.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater utility services, and the event center activities. Internal service funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City uses internal service funds to account for its self-insured health plan and self-insured dental plan. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide additional information for the Utilities Fund and the Multi-Purpose Event Center Fund, which are considered to be major funds of the City. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on page 52.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under New Mexico Administrative Code Section 2.2.2 governments in New Mexico must include the budgetary comparison statement for the General and major Special Revenue Funds as a component of the fund financial statements within the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets exceeded liabilities by \$264.3 million as of June 30, 2011.

A major portion of the City's net assets (89.0 percent) reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, improvements other than buildings, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net assets (3.8 percent) is restricted for the specified purposes of debt service repayment and capital outlay investment.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

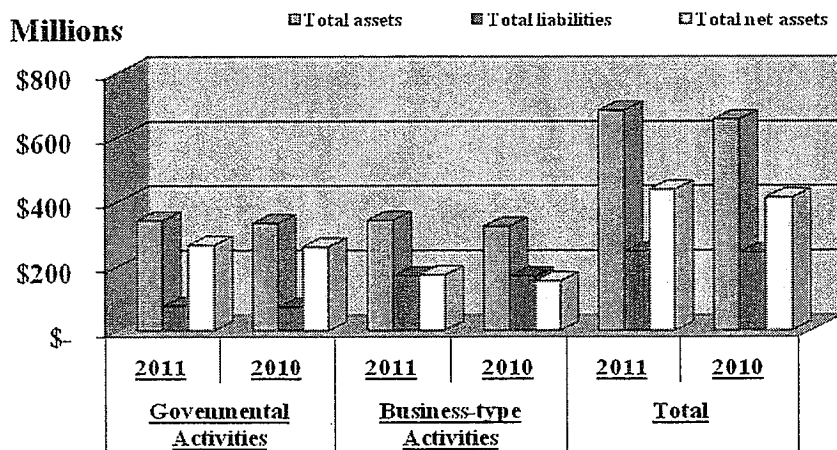
The following table presents a summary of the City's net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Government-wide Statement of Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 44,870,654	\$ 50,703,371	\$ 41,241,886	\$ 43,693,718	\$ 86,112,540	\$ 94,397,089
Capital assets, net	<u>295,467,841</u>	<u>280,869,772</u>	<u>299,662,488</u>	<u>278,374,012</u>	<u>595,130,329</u>	<u>559,243,784</u>
Total assets, net	340,338,495	331,573,143	340,904,374	322,067,730	681,242,869	653,640,873
Current liabilities	17,760,189	13,711,967	10,705,258	10,325,718	28,465,447	24,037,685
Long-term obligations						
outstanding	<u>58,295,709</u>	<u>59,266,229</u>	<u>158,101,794</u>	<u>158,683,504</u>	<u>216,397,503</u>	<u>217,949,733</u>
Total liabilities	76,055,898	72,978,196	168,807,052	169,009,222	244,862,950	241,987,418
Net assets:						
Invested in capital assets, net of related debt	233,918,334	233,285,141	137,363,850	122,367,287	371,282,184	355,652,428
Restricted	10,158,631	9,465,808	9,623,009	9,111,523	19,781,640	18,577,331
Unrestricted	<u>20,205,632</u>	<u>15,843,998</u>	<u>25,110,463</u>	<u>21,579,698</u>	<u>45,316,095</u>	<u>37,423,696</u>
Total net assets	<u>\$ 264,282,597</u>	<u>\$ 258,594,947</u>	<u>\$ 172,097,322</u>	<u>\$ 153,058,508</u>	<u>\$ 436,379,919</u>	<u>\$ 411,653,455</u>



The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- The City received \$3.9 million in loan proceeds for the purpose of sewer infrastructure improvements.
- The City received \$269,990 in loan proceeds for the purpose of acquiring police vehicles and equipment.
- The City received \$967,515 in loan proceeds for the purpose of refunding the GRT Refunding Revenue Bonds, Series 2003.
- The City received \$7.0 million in loan proceeds for the purpose of water rights acquisition and water system improvements.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

- The City received \$6.6 million in contributed capital for various City infrastructure projects which were constructed by developers.
- The City received \$12.3 million in contributed capital for water and wastewater improvements which were constructed by developers and various contractors.

Changes in net assets. The City's total revenues for the fiscal year ended June 30, 2011, were \$145.6 million with an increase in net assets of \$25.0 million, thereby accounting for 6.0 percent increase in the net assets of the City. The following table presents a summary of the changes in net assets for fiscal years ended June 30, 2011 and June 30, 2010.

Government-wide Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$11,326,419	\$9,927,274	\$33,150,775	\$32,480,154	\$44,477,194	\$42,407,428
Operating grants and contributions	10,059,893	10,780,000			10,059,893	10,780,000
Capital grants and contributions	22,786,582	32,356,726	12,546,387	8,316,845	35,332,969	40,673,571
General revenues:						
Property taxes	16,349,117	15,969,391			16,349,117	15,969,391
Gross receipts taxes	17,201,811	14,926,671			17,201,811	14,926,671
Franchise taxes	3,219,655	2,995,701			3,219,655	2,995,701
Unrestricted grants, aid and state shared revenues	13,534,932	12,772,147	4,972,974		18,507,906	12,772,147
Miscellaneous	77,709	764,358	323,934	840,208	401,643	1,604,566
Investment income	<u>23,408</u>	<u>53,817</u>	<u>42,183</u>	<u>75,894</u>	<u>65,591</u>	<u>129,711</u>
Total revenues	<u>\$94,579,526</u>	<u>\$100,546,085</u>	<u>\$51,036,253</u>	<u>\$41,713,101</u>	<u>\$145,615,779</u>	<u>\$142,259,186</u>
Expenses:						
General government	13,287,694	8,660,909			13,287,694	8,660,909
Public safety	35,822,606	36,265,064			35,822,606	36,265,064
Public works	25,118,971	14,723,718			25,118,971	14,723,718
Culture and recreation	9,882,400	9,497,987			9,882,400	9,497,987
Economic development	2,296,117	2,672,473			2,296,117	2,672,473
Interest on long-term debt	2,484,088	2,588,532			2,484,088	2,588,532
Water			11,384,029	11,261,251	11,384,029	11,261,251
Wastewater			17,624,272	16,041,994	17,624,272	16,041,994
Event center	-	-	<u>2,639,138</u>	<u>130,200</u>	<u>2,639,138</u>	<u>130,200</u>
Total expenses	<u>88,891,876</u>	<u>74,408,683</u>	<u>31,647,439</u>	<u>27,433,445</u>	<u>120,539,315</u>	<u>101,842,128</u>
Increase in net assets	<u>\$ 5,687,650</u>	<u>\$ 26,137,402</u>	<u>\$19,388,814</u>	<u>\$14,279,656</u>	<u>\$25,076,464</u>	<u>\$40,417,058</u>

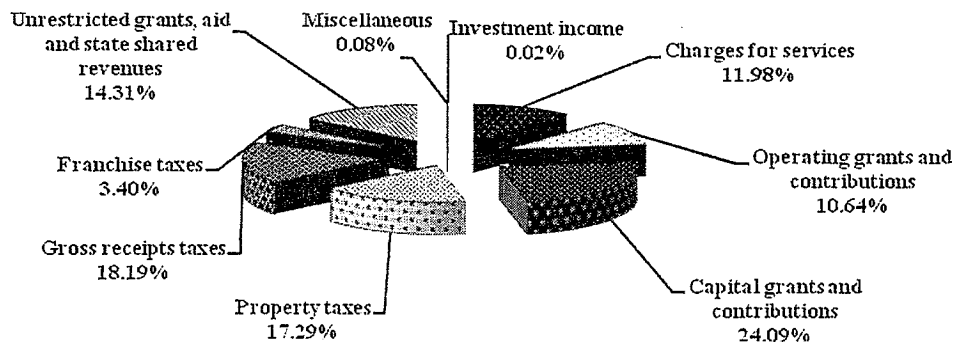
CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Government-wide Statement of Activities (Cont'd)

	<u>Year Ended June 30, 2011</u>		<u>Year Ended June 30, 2010</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/Revenue</u>
Governmental activities:				
General government	\$13,287,694	\$(10,501,454)	\$8,660,909	\$(6,115,959)
Public safety	35,822,606	(19,167,602)	36,265,064	(20,333,622)
Public works	25,118,971	(3,060,857)	14,723,718	16,928,005
Culture and recreation	9,882,400	(7,590,794)	9,497,987	(7,251,511)
Economic development	2,296,117	(1,914,187)	2,672,473	(2,186,017)
Interest on long-term debt	<u>2,484,088</u>	<u>(2,484,088)</u>	<u>2,588,532</u>	<u>(2,588,532)</u>
Total expenses	<u>\$88,891,876</u>	<u>\$(44,718,982)</u>	<u>\$74,408,683</u>	<u>\$(21,547,636)</u>
Business-type activities:				
Water	11,384,029	19,801,227	11,261,251	15,109,414
Wastewater	17,624,272	(3,863,813)	16,041,994	(2,237,423)
Event center	<u>2,639,138</u>	<u>(1,887,691)</u>	<u>130,200</u>	<u>491,563</u>
Total expenses	<u>\$31,647,439</u>	<u>\$14,049,723</u>	<u>\$27,433,445</u>	<u>\$13,363,554</u>

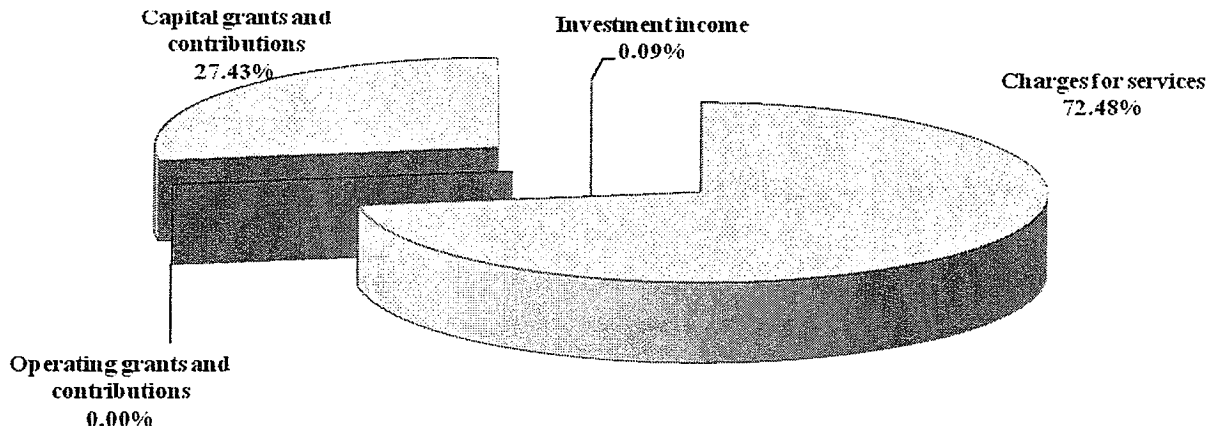
Revenues by Source – Governmental Activities



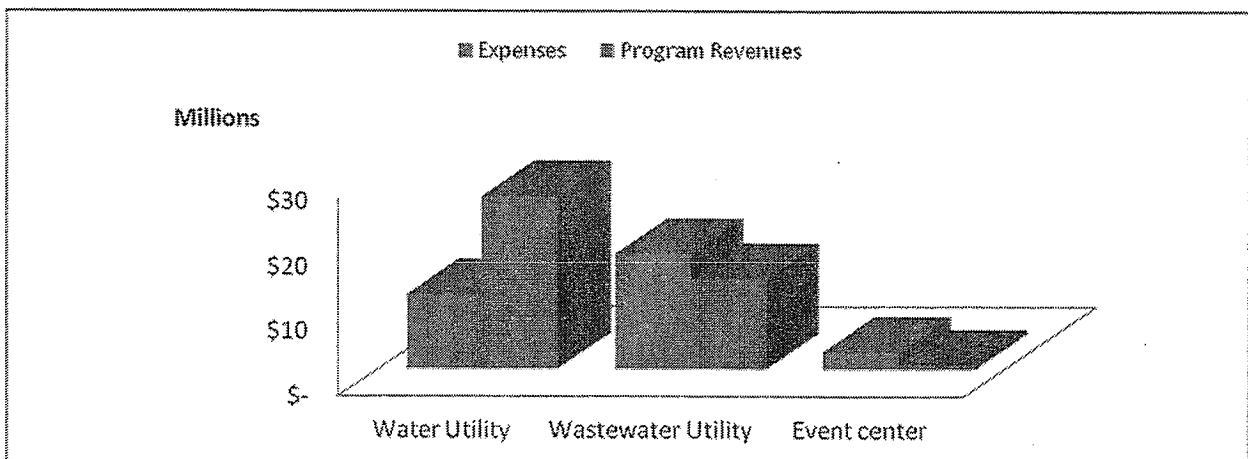
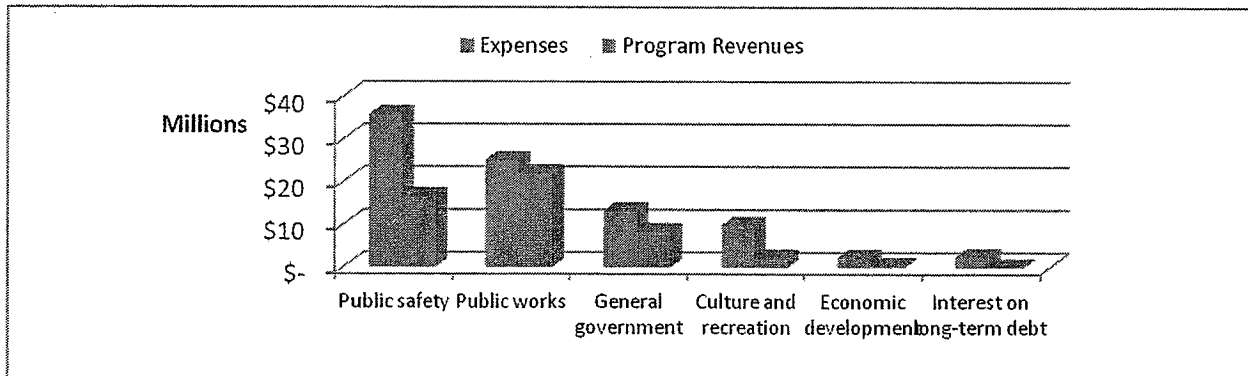
**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Governmental & Business type Activities



**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

Governmental-type activities: Net assets of the governmental-type activities at the end of the year amount to \$264.3 million. The following are significant current year transactions that have had an impact on the Statement of Activities.

- Program revenues including federal and state grants and contributions, charges for services, and local revenues subsidized certain programs totaling \$44.1 million.
- The cost of all governmental activities in fiscal year 2011 was \$88.9 million, 19.5 percent higher than fiscal year 2010 due primarily to the increase in grant and loan funded projects.
- The net cost of governmental activities (\$44.7 million) was financed by general revenues (\$50.4 million) that primarily consist of gross receipt taxes (\$17.2 million), property taxes (\$16.3 million), and unrestricted grants, aid and state shared revenues (\$13.5 million).
- Gross receipt taxes and unrestricted grants, aid and state shared revenues increased \$3.0 million from fiscal year 2010, partially due to the increase in construction activity specifically for the commercial market.
- Investment income decreased \$30,409 due to declining interest rates from the sustained downturn in the economy.
- Property tax revenues exceeded those received in fiscal year 2010 by \$379,726, or 2.4 percent, primarily due to slight increases in both residential construction and non residential development and state assessed property values added to the tax rolls.

Business-type activities. Net assets of the business-type activities at the end of the year amount to \$172.1 million. The increase of \$19.0 million over fiscal year 2010 was primarily due to a rate increase in the charges for water and wastewater services and developer capital contributions.

The following are significant current year transactions that have had an impact on the Statement of Net Activities.

- The City's water and wastewater utility increase in net assets is partially attributed a 5.0 percent increase in water and wastewater rates plus a monthly \$3 water rights acquisition surcharge. An increase in the number of customers also contributed to this growth.
- The cost of all business-type activities in fiscal year 2011 was \$31.6 million, 15.4 percent higher than fiscal year 2010 due primarily to increase in state grants.
- Program revenues, specifically operating grants and contributions for the Santa Ana Star Center increased \$247,844 due to an increase in operational grants and contributions.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$36.6 million; a decrease of \$8.2 million primarily due to the use of bond funds on capital projects.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$2.4 million in the General Fund to \$13.3 million as of June 30, 2011 was due primarily to a number of revenue increases to include a one-quarter percent increase in the municipal gross receipts tax rate, new development services fees, and a new motor vehicle transaction fee. The City implemented GASB 54 and combined four funds with the General Fund for financial reporting purposes. The funds combined include Computer/Software Replacement, Equipment Replacement, Building Improvement, and Solid Waste Disposal-Indigent Funds.

Proprietary funds. Net assets of the business-type activities at the end of the year amount to \$172.1 million. The increase of \$19.4 million over fiscal year 2010 was primarily due to a 5 percent rate increase in the charges for water and wastewater services plus the implementation of a monthly \$3 water rights acquisition surcharge, and \$12.5 million in capital contributions.

BUDGETARY HIGHLIGHTS

The budget theme for fiscal year 2011 was sustainability. Through a variety of actions the City was able to avoid the harsh realities of much lower revenues and increasing demands for services that many other communities in the nation have faced. The City adopted a balanced approach by approving expenditure cuts and revenue increases.

- At initial adoption of the FY11 budget the reserve fund balances were forecasted to be at 8.3 percent of expenditures, which is the minimum required by the State of New Mexico. There were no planned unreserved fund balances in the budget.
- The City is continuing to reduce expenditures by holding positions vacant and implemented 21 hours of furlough time in FY11.
- The City revised the overall budget during the year. The City conducts a mid-year budget review, which provides the City with an opportunity to adjust the fiscal year budget for changes in projected revenue and expenditure levels.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

BUDGETARY HIGHLIGHTS (Concl'd)

The changes made to the fiscal year 2011 budget at midyear can be briefly summarized as follows:

- The Governing Body took aggressive measures with the FY11 budget, which placed the City's overall budget in decent shape at midyear. The changes in the mid-year budget primarily dealt with a hand full of revenue estimate adjustments that, for the most part, offset each other. Additionally, the practice of holding open all non-critical positions that become vacant throughout the year helped to offset some unanticipated expenditures, such as utility cost increases.
- There were a total of nine positions (8.5 FTE) that were held vacant during the fiscal year. The value of the vacant positions was approximately \$210,976.

The variances between the budget and actual revenues and expenditures for the General fund can be briefly summarized as follows:

- \$0.6 million positive variance for municipal and state share taxes is due to a reimbursement from the State of New Mexico for a large, unprecedented amended tax return. Aside from this reimbursement, overall, weakness in the housing market was offset by a few large commercial projects, namely, two \$80 million hospitals under construction.
- \$1.7 million in expenditure savings due to department's aggressively reducing materials and services budgets and 77 positions that never were realized frozen, plus an additional 9 were held vacant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$595.1 million (net of accumulated depreciation). This investment in capital assets includes buildings, facilities, vehicles, equipment, and infrastructure assets. This amount represents a net increase of \$35.9 million over last year, primarily due to additions of general governmental road network assets, and various arsenic water projects. Total depreciation expense for the year was \$16.9 million.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont'd)

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2011 and June 30, 2010.

Governmental and Business-type Capital Assets

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$61,618,023	\$58,828,805	\$28,354,925	\$22,056,103	\$89,972,948	\$80,884,908
Land improvements	9,165,459	8,350,756	7,400,089	3,044,543	16,565,548	11,395,299
Buildings and improvements	46,020,414	46,411,937	75,784,687	72,875,567	121,805,101	119,287,504
Vehicles, furniture and equipment	7,889,648	8,336,722	21,091,467	14,543,536	28,981,115	22,880,258
System infrastructure	122,370,688	100,343,446	111,887,951	96,871,758	234,258,639	197,215,204
Construction in progress	<u>48,403,609</u>	<u>58,598,106</u>	<u>55,143,369</u>	<u>68,982,505</u>	<u>103,546,978</u>	<u>127,580,611</u>
Total	<u>\$295,467,841</u>	<u>\$280,869,772</u>	<u>\$299,662,488</u>	<u>\$278,374,012</u>	<u>\$595,130,329</u>	<u>\$559,243,784</u>

Additional information on the City's capital assets can be found in Note 4.

Debt Administration. At the end of the current fiscal year, the City had \$223.9 million in long-term debt outstanding, with \$11.9 million due within one year. The following table presents a summary of the City's outstanding bonded debt for the fiscal years ended June 30, 2011 and June 30, 2010.

Governmental and Business-type Outstanding Debt

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$29,575,000	\$32,875,000			\$29,575,000	\$32,875,000
Revenue bonds	16,660,000	17,820,000	145,205,000	151,825,000	161,865,000	169,645,000
Notes payable	15,918,080	11,563,370			15,918,080	11,563,370
Loans payable	-	-	<u>16,513.872</u>	<u>8,888,514</u>	<u>16,513.872</u>	<u>8,888,514</u>
Total	<u>\$62,153,080</u>	<u>\$62,258,370</u>	<u>\$161,718,872</u>	<u>\$160,713,514</u>	<u>\$223,871,952</u>	<u>\$222,971,884</u>

State statutes currently limit the amount of general obligation debt a City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for the City is \$81,961,320. State statute also currently does not limit the amount of general obligation debt a City may issue for the water and wastewater system. The City has no outstanding general obligation debt for the water and wastewater system.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The City's general obligation bond debt is graded at AA by Fitch Ratings and A1 by Moody's. In July of 2011, Fitch Ratings reviewed the City's GO credit rating as part of their surveillance program. Fitch Ratings has affirmed its AA rating. One of the key rating factors was the City maintaining its financial reserves in light of the City's heavy reliance on economically sensitive GRT revenue. The gross receipts tax revenue bond debt is graded an A1 by Moody's and A+ by Standard & Poors.

The City's water and wastewater revenue bonds were also reviewed by Fitch in July of 2011 and downgraded to AA- although the Outlook is stable. One of the key rating factors was the downward decline in liquidity and debt service coverage, coupled with increasing operating expenses and lack of comparable offsetting rate increases. Standard & Poors rating of A+ was unchanged.

Additional information on the City's long-term debt can be found in Note 5.

The following are significant current year transactions that have had an impact on capital assets.

- The addition of \$1.6 million in governmental activities primarily due to the construction of the expansion of the public safety communications center.
- The addition of \$29.6 million in various infrastructure projects, which the primary funding source came from the 2009 GO bonds.
- The addition of approximately \$30.0 million in business-type activities primarily due to the federal mandate of water well arsenic removal systems and various other system upgrades.
- The addition of \$9.9 million in capital contributions primarily from developer contributions.

The following are significant current year transactions that have had an impact on long-term debt.

- The City received \$3.9 million in loan proceeds for the purpose of sewer infrastructure improvement projects.
- The City received \$7.0 million in loan proceeds for the purpose of Water Rights purchases.
- The City received \$967,515 in loan proceeds for the purpose of refunding the GRT Refunding Revenue Bonds, Series 2003.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

Many factors were considered by the City's administration during the process of developing the fiscal year 2011-2012 budget. The objectives set for the 2012 fiscal year budget include the following:

- The theme of the FY12 budget continued to be sustainability, which is critical to the City's efforts to implement the City's adopted Strategic Plan. The Governing Body took decisive measures that provided a balanced and long-term approach to addressing the budget shortfall. Because of these measures as well as what appears to be a local economy that is stabilizing, the overall fiscal health of the City is showing improvement.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Cont'd)

- The FY12 Budget reflects a regional economy that is starting to show signs of recovery from the worst economic recession in decades. The City is remaining focused on increasing the Gross Receipts Tax (GRT) revenues in the retail and services sectors through the ongoing effort to attract retailers to the City and continue to promote to the residents the benefits of shopping locally.
- The City is continuing to require each Department hold the line by maintaining 83 frozen positions. Expenditure levels reflect the City's high priority service areas, including providing additional funding for two public safety positions, EMS system upgrades, and law enforcement protective equipment.
- The FY12 budget includes two user fee increases. These include a \$5 which increases the correction fee to \$25 charged by the Municipal Court to offset charges for detainees held in the county detention center. The City also is adopting the State Tariff schedule for Ambulance services, which will bring these fees more in line with the true cost of providing these services.
- Estimated spending levels and additional revenue streams will provide a restricted ending fund balance that equals the 8.3 percent of expenditures, as required by the State of New Mexico, and an estimated unreserved ending fund balance of \$2.6 million, bringing total reserves to 13.5 percent of expenditures.
- The City's most important revenue source is the Gross Receipts Tax (GRT). The distribution of GRT revenue is projected to decrease slightly in FY12 about 1.2 percent, from FY11 levels, as nonrecurring revenue from two hospitals slows in FY12. However, offsetting these decreases is the one-quarter percent increase in GRT and anticipated growth in retail sector activity.
- Water and wastewater utility operation revenue has a scheduled rate increase of 3.3 percent that will help provide funding for operation and capital needs. This increase is based on the Global Insight CPI estimate for water and wastewater maintenance.
- The Utility Fund unreserved ending net asset balance is \$4.1 million. The Utility meets the required debt service coverage ratio of 1.15 time coverage for parity bonds. The FY12 debt coverage ratio for parity bonds is 1.27 times and the debt coverage ratio for bonds and loans is 1.13 times.

The recovery of the Albuquerque MSA economy has lagged behind the slow growth of the state economy and is not expected to reverse course until late 2011 and 2012, with growth expected to reach 1.6 percent by 2013 and 2014.

Despite the fragile economy, there are reasons to be optimistic. Rio Rancho expects to see decent pick up in business activity in the near term and a good number of new jobs from employers, such as Hewlett Packard (1,350 jobs by 2012), Presbyterian Medical Center (Opened October 2011, 350 jobs), Premiere Cinemas (50 jobs), Century Bank (Opening late 2011, 24 jobs), and the opening of IHOP, Dion's, Five Guys Burgers, and Cold stone Creamery in Fall 2011.

**CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Concl'd)

Rio Rancho continues to be one of the best places to relocate a business, offering a portfolio of incentives, tax benefits and other programs that stand behind the City commitment to attract economic base jobs and increase the quality of life through the attraction of targeted retail and entertainment companies.

In July 2010, Money magazine ranked Rio Rancho 51st in its list of the "100 Best Places to Live." The magazine took into consideration criteria such as jobs, schools, public safety and features that make a friendly, and has a downtown area that is developing into a hub for business and recreation. Additionally, Rio Rancho was rated the "Best Place to Raise Children in the State" by Bloomberg Business week Magazine in 2009 and 2010.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the City of Rio Rancho Financial Services Department located at 3200 Civic Center Circle N.E. Rio Rancho, New Mexico 87144.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 28,970,215	\$ 12,187,877	\$ 41,158,092
Property taxes receivable	1,399,850		1,399,850
Accounts receivable	1,571,890	6,963,709	8,535,599
Internal balances	(1,080)	1,080	
Due from federal government	5,499,088	5,192,275	10,691,363
Due from state government	6,822,627	981,485	7,804,112
Due from county government	30,000		30,000
Total current assets	<u>44,292,590</u>	<u>25,326,426</u>	<u>69,619,016</u>
Noncurrent assets:			
Restricted investments	339,000	9,623,009	9,962,009
Deferred bond issuance costs	239,064	2,006,442	2,245,506
Goodwill (net of amortization)		4,286,009	4,286,009
Land	61,618,023	28,354,925	89,972,948
Land improvements	13,003,565	8,441,698	21,445,263
Infrastructure	247,214,963	128,126,767	375,341,730
Buildings and improvements	51,791,613	87,130,910	138,922,523
Vehicles, furniture and equipment	23,637,745	38,004,099	61,641,844
Construction in progress	48,403,610	55,143,369	103,546,979
Accumulated depreciation	(150,201,678)	(45,539,280)	(195,740,958)
Total noncurrent assets	<u>296,045,905</u>	<u>315,577,948</u>	<u>611,623,853</u>
Total assets	<u>340,338,495</u>	<u>340,904,374</u>	<u>681,242,869</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	4,332,674	1,359,316	5,691,990
Accrued payroll	1,246,796	49,464	1,296,260
Accrued interest payable	522,224	724,448	1,246,672
Compensated absences payable	5,097,121	74,681	5,171,802
Litigation claims payable	750,000		750,000
Arbitrage payable	65,911		65,911
Note payable	802,639	829,226	1,631,865
Unearned revenue	657,824		657,824
General obligation bonds payable	3,700,000		3,700,000
Revenue bonds payable	585,000	6,835,000	7,420,000
Deposits held for others		833,123	833,123
Total current liabilities	<u>17,760,189</u>	<u>10,705,258</u>	<u>28,465,447</u>
Noncurrent liabilities:			
Note payable	15,115,441	15,684,646	30,800,087
General obligation bonds payable	26,424,384		26,424,384
Revenue bonds payable	16,755,884	142,417,148	159,173,032
Total non-current liabilities	<u>58,295,709</u>	<u>158,101,794</u>	<u>216,397,503</u>
Total liabilities	<u>76,055,898</u>	<u>168,807,052</u>	<u>244,862,950</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	233,918,334	137,363,850	371,282,184
Restricted for:			
Debt service	5,039,307	9,623,009	14,662,316
Capital projects	5,119,324		5,119,324
Unrestricted	20,205,632	25,110,463	45,316,095
Total net assets	<u>\$ 264,282,597</u>	<u>\$ 172,097,322</u>	<u>\$ 436,379,919</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 13,287,694	\$ 2,291,335	\$ 494,905	\$	\$(10,501,454)
Public safety	35,822,606	5,440,125	8,972,090	2,242,789	(19,167,602)
Public works	25,118,971	1,421,236	329,428	20,307,450	(3,060,857)
Culture and recreation	9,882,400	1,801,170	254,093	236,343	(7,590,794)
Economic development	2,296,117	372,553	9,377		(1,914,187)
Interest on long-term debt	2,484,088				(2,484,088)
Total governmental activities	<u>88,891,876</u>	<u>11,326,419</u>	<u>10,059,893</u>	<u>22,786,582</u>	<u>(44,718,982)</u>
Business-type activities:					
Water	11,384,029	18,926,700		12,258,556	
Wastewater	17,624,272	13,760,459			
Event center	2,639,138	463,616		287,831	
Total business-type activities	<u>31,647,439</u>	<u>33,150,775</u>		<u>12,546,387</u>	
Total primary government	<u>\$120,539,315</u>	<u>\$ 44,477,194</u>	<u>\$ 10,059,893</u>	<u>\$ 35,332,969</u>	<u>(44,718,982)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	11,862,408
Property taxes, levied for debt service	4,486,709
Gross receipts taxes	17,201,811
Franchise taxes	3,219,655
Unrestricted grants, aid and state shared revenues	13,534,932
Investment income	23,408
Miscellaneous	77,709
Total general revenues	<u>50,406,632</u>

Changes in net assets 5,687,650

Net assets, beginning of year 258,594,947

Net assets, end of year \$264,282,597

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net Assets

<u>Business-type</u>	<u>Activities</u>		<u>Totals</u>
----------------------	-------------------	--	---------------

	\$		\$(10,501,454)
			(19,167,602)
			(3,060,857)
			(7,590,794)
			(1,914,187)
			(2,484,088)
			<u>(44,718,982)</u>

			19,801,227
			(3,863,813)
			(1,887,691)
			<u>14,049,723</u>
			<u>14,049,723</u>
			<u>(30,669,259)</u>

			11,862,408
			4,486,709
			17,201,811
			3,219,655

			4,972,974
			42,183
			323,934
			<u>5,339,091</u>
			<u>18,507,906</u>
			<u>65,591</u>
			<u>401,643</u>
			<u>55,745,723</u>

			19,388,814
			25,076,464

			152,708,508
			<u>411,303,455</u>

			<u>\$172,097,322</u>
			<u>\$436,379,919</u>

CITY OF RIO RANCHO, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Public Safety Grants Fund</u>	<u>Infrastructure Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,700,081	\$	\$
Property taxes receivable	912,135		
Accounts receivable	1,541,301		
Due from federal government	15,524	881,080	4,143,323
Due from state government	4,615,040	19,950	1,270,881
Due from county government			30,000
Due from other funds	1,197,363		
Restricted investments			
Total assets	<u><u>\$ 15,981,444</u></u>	<u><u>\$ 901,030</u></u>	<u><u>\$ 5,444,204</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 485,489	\$ 360	\$ 1,598,031
Accrued payroll	1,219,154	3,362	
Accrued interest payable			
Due to other funds		899,430	5,922,073
Deferred revenue	962,045		393,624
Total liabilities	<u><u>2,666,688</u></u>	<u><u>903,152</u></u>	<u><u>7,913,728</u></u>
Fund balances (deficits):			
Non-Spendable			
Restricted	282,630		
Committed			
Assigned	18,424		
Unassigned	13,013,702	(2,122)	(2,469,524)
Total fund balances	<u><u>13,314,756</u></u>	<u><u>(2,122)</u></u>	<u><u>(2,469,524)</u></u>
Total liabilities and fund balances	<u><u>\$ 15,981,444</u></u>	<u><u>\$ 901,030</u></u>	<u><u>\$ 5,444,204</u></u>

The notes to the financial statements are an integral part of this statement.

Bond Construction 2009 Roads Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,770,321	\$ 18,506,529	\$ 27,976,931
	487,715	1,399,850
	30,589	1,571,890
	459,161	5,499,088
	916,756	6,822,627
		30,000
5,922,073	253,332	7,372,768
	339,000	339,000
<u>\$ 7,692,394</u>	<u>\$ 20,993,082</u>	<u>\$ 51,012,154</u>
\$ 419,405	\$ 863,101	\$ 3,366,386
	24,280	1,246,796
	522,224	522,224
	551,265	7,372,768
	528,799	1,884,468
<u>419,405</u>	<u>2,489,669</u>	<u>14,392,642</u>
7,272,989	18,518,565	26,074,184
	122,462	122,462
		18,424
	(137,614)	10,404,442
<u>7,272,989</u>	<u>18,503,413</u>	<u>36,619,512</u>
<u>\$ 7,692,394</u>	<u>\$ 20,993,082</u>	<u>\$ 51,012,154</u>

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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total Governmental Fund balances **\$ 36,619,512**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	445,669,519	
Less accumulated depreciation	<u>(150,201,678)</u>	295,467,841

Property tax revenues that are not available to pay for current period expenditures are deferred in the funds.		1,226,644
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Deferred charges, issuance costs and premiums related to issuance of bonds are amortized over the life of the associated issue in the government-wide statements.		(991,204)
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Internal service funds are used by management to charge the costs of health and dental self-insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		25,916
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Litigation liability related to a lawsuit that has ruled against the City.		(750,000)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(5,097,121)	
Notes payable	(15,918,080)	
Arbitrage payable	(65,911)	
General obligation bonds payable	(29,575,000)	
Revenue bonds payable	<u>(16,660,000)</u>	<u>(67,316,112)</u>

Net Assets of Governmental Activities **\$ 264,282,597**

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	General Fund	Public Safety Grants Fund	Infrastructure Fund	Bond Construction 2009 Roads Fund
Revenues:				
Property taxes	\$ 11,787,438	\$	\$	\$
Municipal and state shared taxes	25,255,460			
License and permits	595,520			
Intergovernmental federal	282,630	1,634,752	4,437,912	
Intergovernmental state		7,363,743	2,164,435	
Intergovernmental county	1,000		30,000	
Impact fees				
Charges for services	5,045,813			
Fines and forfeits	1,101,622			
Franchise fees	3,093,609			
Contributions and donations	30,369			
Investment income	10,592		4	9,428
Other revenues	3,465,969			1,314,071
Total revenues	<u>50,670,022</u>	<u>8,998,495</u>	<u>6,632,351</u>	<u>1,323,499</u>
Expenditures:				
Current -				
General government	8,342,155			
Public safety	24,631,469	8,005,569		
Public works	6,638,704			6,262,591
Culture and recreation	7,273,922			
Economic development	1,707,363			
Other expenses				
Capital outlay	89,973	1,049,271	8,137,053	3,297,574
Debt service -				
Principal				
Interest and fiscal charges				
Total expenditures	<u>48,683,586</u>	<u>9,054,840</u>	<u>8,137,053</u>	<u>9,560,165</u>
Excess (deficiency) of revenues over expenditures	<u>1,986,436</u>	<u>(56,345)</u>	<u>(1,504,702)</u>	<u>(8,236,666)</u>
Other financing sources (uses):				
Issuance of debt				
Transfers in	747,278		50,588	
Transfers out	(484,545)		(462,991)	
Total other financing sources (uses)	<u>262,733</u>		<u>(412,403)</u>	
Changes in fund balances	<u>2,249,169</u>	<u>(56,345)</u>	<u>(1,917,105)</u>	<u>(8,236,666)</u>
Fund balances (deficits), beginning of year	10,925,800	54,223	(552,419)	15,509,655
Restatement	139,787			
Fund balances (deficits), beginning of year, as restated	11,065,587	54,223	(552,419)	15,509,655
Fund balances (deficits), end of year	<u>\$ 13,314,756</u>	<u>\$ (2,122)</u>	<u>\$ (2,469,524)</u>	<u>\$ 7,272,989</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,451,273	\$ 16,238,711
5,481,283	30,736,743
	595,520
5,680,996	12,036,290
1,143,104	10,671,282
	31,000
1,262,121	1,262,121
509,650	5,555,463
66,670	1,168,292
126,046	3,219,655
40,833	71,202
3,384	23,408
796,203	5,576,243
<u>19,561,563</u>	<u>87,185,930</u>

3,842,791	12,184,946
1,623,804	34,260,842
4,347,153	17,248,448
1,103,716	8,377,638
553,905	2,261,268
43,874	43,874
5,864,667	18,438,538
5,285,055	5,285,055
2,485,545	2,485,545
<u>25,150,510</u>	<u>100,586,154</u>

<u>(5,588,947)</u>	<u>(13,400,224)</u>
--------------------	---------------------

5,179,765	5,179,765
687,542	1,485,408
<u>(537,872)</u>	<u>(1,485,408)</u>
<u>5,329,435</u>	<u>5,179,765</u>

<u>(259,512)</u>	<u>(8,220,459)</u>
------------------	--------------------

18,762,925	44,700,184
------------	------------

139,787

18,762,925	44,839,971
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<u>\$ 18,503,413</u>	<u>\$ 36,619,512</u>
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CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net Changes in Fund Balances - Total Governmental Funds **\$ (8,220,459)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	18,438,538	
Less current year depreciation	<u>(10,856,385)</u>	7,582,153

Capital assets contributed by developers to the City are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues. 7,283,190

Governmental funds report the loss on sale of equipment as proceeds while the Statement of Activities is shown as a loss on the sale of equipment. (267,274)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond issuance costs	(151,853)	
Amortization of deferred charges	(38,312)	
Amortization of bond discount	(14,187)	
Arbitrage costs	80,830	
Compensated absences	<u>(307,733)</u>	(431,255)

Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.

Property taxes	110,406	
Amortization of bond premium	<u>249,683</u>	360,089

Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.

General obligation bonds retirement	3,300,000	
Revenue bonds retirement	1,160,000	
Notes payable retirement	<u>825,055</u>	5,285,055

Internal service funds are used by management to charge the costs of health and dental self-insurance. The net revenue of certain activities of internal service funds is reported with governmental activities. 25,916

Litigation liability related to a lawsuit that has ruled against the City. (750,000)

The issuance of long-term debt provides and uses current financial resources in the governmental funds, but the issuance increases long-term liabilities and the related deferred items in the Statement of Net Assets.

Issuance of notes	<u>(5,179,765)</u>	(5,179,765)
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Change in Net Assets in Governmental Activities **\$ 5,687,650**

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 11,115,759	\$ 11,319,062	\$ 11,787,438	\$ 468,376
Municipal and state shared taxes	23,443,277	24,634,231	25,255,460	621,229
License and permits	631,645	547,348	595,520	48,172
Intergovernmental federal	69,715	367,755	282,630	(85,125)
Intergovernmental county	1,000	1,000	1,000	
Charges for services	5,466,186	4,849,778	5,045,813	196,035
Fines and forfeits	1,323,707	1,137,343	1,101,622	(35,721)
Franchise fees	2,912,009	3,100,672	3,093,609	(7,063)
Contributions and donations	12,000	12,000	30,369	18,369
Investment income	6,000	4,700	10,592	5,892
Other revenues	3,120,538	3,247,377	3,465,969	218,592
Total revenues	<u>48,101,836</u>	<u>49,221,266</u>	<u>50,670,022</u>	<u>1,448,756</u>
Expenditures:				
Current -				
General government	6,956,158	8,267,309	8,342,155	(74,846)
Public safety	25,273,501	25,250,728	24,631,469	619,259
Public works	6,999,812	6,698,856	6,638,704	60,152
Culture and recreation	7,801,809	7,835,602	7,273,922	561,680
Economic development	1,996,064	2,124,500	1,707,363	417,137
Capital outlay	126,081	216,677	89,973	126,704
Total expenditures	<u>49,153,425</u>	<u>50,393,672</u>	<u>48,683,586</u>	<u>1,710,086</u>
Excess (deficiency) of revenues over expenditures	<u>(1,051,589)</u>	<u>(1,172,406)</u>	<u>1,986,436</u>	<u>3,158,842</u>
Other financing sources (uses):				
Transfers in	645,888	776,462	747,278	(29,184)
Transfers out	(338,571)	(494,065)	(484,545)	9,520
Total other financing sources (uses)	<u>307,317</u>	<u>282,397</u>	<u>262,733</u>	<u>(19,664)</u>
Change in fund balances	<u>(744,272)</u>	<u>(890,009)</u>	<u>2,249,169</u>	<u>3,139,178</u>
Fund balances, July 1, 2010, as restated	<u>4,847,189</u>	<u>5,236,052</u>	<u>11,065,587</u>	<u>5,829,535</u>
Fund balances, June 30, 2011	<u>\$ 4,102,917</u>	<u>\$ 4,346,043</u>	<u>\$ 13,314,756</u>	<u>\$ 8,968,713</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY GRANTS FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Intergovernmental federal	\$ 582,709	\$ 2,198,616	\$ 1,634,752
Intergovernmental state	16,640	9,252,796	7,363,743
Total revenues	<u>599,349</u>	<u>11,451,412</u>	<u>8,998,495</u>
Expenditures:			
Current -			
Public safety	599,349	10,022,292	8,005,569
Capital outlay		1,056,101	1,049,271
Total expenditures	<u>599,349</u>	<u>11,078,393</u>	<u>9,054,840</u>
Change in fund balances		<u>373,019</u>	<u>(56,345)</u>
Fund balances (deficits), July 1, 2010			54,223
Fund balances (deficits), June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ (2,122)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Enterprise Funds			Governmental Activities: Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 11,885,859	\$ 302,018	\$ 12,187,877	\$ 993,284
Accounts receivable	6,924,901	38,808	6,963,709	
Due from federal government	5,192,275		5,192,275	
Due from state government	533,474	448,011	981,485	
Total current assets	24,536,509	788,837	25,325,346	993,284
Noncurrent assets:				
Restricted investments	6,745,037	2,877,972	9,623,009	
Deferred bond issuance costs	1,601,376	405,066	2,006,442	
Goodwill (net of amortization)	4,286,009		4,286,009	
Land	28,022,425	332,500	28,354,925	
Land improvements	8,441,698		8,441,698	
Infrastructure	128,126,767		128,126,767	
Buildings and improvements	46,159,703	40,971,207	87,130,910	
Vehicles, furniture and equipment	36,861,921	1,142,178	38,004,099	
Construction in progress	55,143,369		55,143,369	
Accumulated depreciation	(42,743,801)	(2,795,479)	(45,539,280)	
Total noncurrent assets	272,644,504	42,933,444	315,577,948	
Total assets	297,181,013	43,722,281	340,903,294	993,284
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	1,344,659	14,657	1,359,316	56,003
Claims payable				910,285
Accrued payroll	49,464		49,464	
Accrued interest payable	601,248	123,200	724,448	
Compensated absences payable	74,681		74,681	
Note payable	829,226		829,226	
Revenue bonds payable	5,510,000	1,325,000	6,835,000	
Deposits held for others	833,123		833,123	
Total current liabilities	9,242,401	1,462,857	10,705,258	966,288
Noncurrent liabilities:				
Note payable	15,684,646		15,684,646	
Revenue bonds payable	112,984,544	29,432,604	142,417,148	
Total non-current liabilities	128,669,190	29,432,604	158,101,794	
Total liabilities	137,911,591	30,895,461	168,807,052	966,288
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	128,065,982	9,297,868	137,363,850	
Restricted for:				
Debt service	6,745,037	2,877,972	9,623,009	
Unrestricted	24,458,403	650,980	25,109,383	26,996
Total net assets	\$ 159,269,422	\$ 12,826,820	\$ 172,096,242	\$ 26,996
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,080	
Net assets of business-type activities			\$ 172,097,322	

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
Operating revenues:				
Charges for services - water	\$ 18,926,700	\$	\$ 18,926,700	
Charges for services - wastewater	13,760,459		13,760,459	
Charges for services - event center		463,616	463,616	
Charges for services - other services				5,619,676
Total operating revenues	<u>32,687,159</u>	<u>463,616</u>	<u>33,150,775</u>	<u>5,619,676</u>
Operating expenses:				
Administration	4,649,568	118,191	4,767,759	
Production costs	15,230,163		15,230,163	
Other services				5,592,680
Depreciation	5,131,838	879,674	6,011,512	
Total operating expenses	<u>25,011,569</u>	<u>997,865</u>	<u>26,009,434</u>	<u>5,592,680</u>
Operating income (loss)	<u>7,675,590</u>	<u>(534,249)</u>	<u>7,141,341</u>	<u>26,996</u>
Nonoperating revenues (expenses):				
Interest expense	(5,548,035)	(1,602,056)	(7,150,091)	
Intergovernmental federal	905,478		905,478	
Intergovernmental state	2,248,437	2,724,537	4,972,974	
Amortization of deferred bond items	242,449	(39,217)	203,232	
Impact fees	581,191		581,191	
Amortization of goodwill	(178,895)		(178,895)	
Investment income	34,672	7,511	42,183	
Other revenues	323,934		323,934	
Total nonoperating revenues (expenses)	<u>(1,390,769)</u>	<u>1,090,775</u>	<u>(299,994)</u>	
Income before capital contributions and transfers	<u>6,284,821</u>	<u>556,526</u>	<u>6,841,347</u>	<u>26,996</u>
Capital contributions	<u>12,258,556</u>	<u>287,831</u>	<u>12,546,387</u>	
Changes in net assets	<u>18,543,377</u>	<u>844,357</u>	<u>19,387,734</u>	<u>26,996</u>
Total net assets, beginning of year	140,726,045	11,982,463		
Total net assets, end of year	<u>\$ 159,269,422</u>	<u>\$ 12,826,820</u>		<u>\$ 26,996</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,080	
Change in net assets of business-type activities			<u>\$ 19,388,814</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
Increase (Decrease) In Cash and Cash Equivalents				
Cash flows from operating activities:				
Cash received from customers	\$ 31,213,567	\$ 526,213	\$ 31,739,780	\$ 5,619,676
Cash payments to employees	(1,841,856)		(1,841,856)	
Cash payments to suppliers for goods and services	(17,902,800)	(103,826)	(18,006,626)	(4,626,392)
Net cash provided by (used for) operating activities	11,468,911	422,387	11,891,298	993,284
Cash flows from noncapital financing activities:				
Intergovernmental revenues	3,663,323	2,732,642	6,395,965	
Net cash provided by (used for) noncapital and related financing activities	3,663,323	2,732,642	6,395,965	
Cash flows from capital and related financing activities:				
Net acquisition of capital assets	(14,753,602)		(14,753,602)	
Payment of principal on long-term debt	(5,350,000)	(1,270,000)	(6,620,000)	
Issuance of debt	6,991,807		6,991,807	
Interest paid on bonds	(5,529,389)	(1,606,494)	(7,135,883)	
Development impact fees	581,191		581,191	
Net cash provided by (used for) capital and related financing activities	(18,059,993)	(2,876,494)	(20,936,487)	
Cash flows from investing activities:				
Investment income	34,672	7,511	42,183	
Net cash provided by (used for) investing activities	34,672	7,511	42,183	
Net increase (decrease) in cash and cash equivalents	(2,893,087)	286,046	(2,607,041)	993,284
Cash and cash equivalents, beginning of year	14,778,946	15,972	14,794,918	

Cash and cash equivalents, end of year	\$	11,885,859	\$	302,018	\$	12,187,877	\$	993,284
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Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities

Operating income/(loss)	\$	7,675,590	\$	(534,249)	\$	7,141,341	\$	26,996
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:								
Depreciation		5,131,838		879,674		6,011,512		
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable		(1,250,727)		62,597		(1,188,130)		
Increase (decrease) in accounts payable		138,299		14,365		152,664		966,288
Increase (decrease) in accrued liabilities		(95)				(95)		
Increase (decrease) in compensated absences payable		(3,129)				(3,129)		
Increase (decrease) in deposits held for others		(222,865)				(222,865)		
Increase (decrease) in deferred revenue		-				-		
Total adjustments		3,793,321		956,636		4,749,957		966,288

Net cash provided by (used for) operating activities

	\$	11,468,911	\$	422,387	\$	11,891,298	\$	993,284
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Non-cash investing capital and financing activities:

Capital assets acquired through contributions from developers	\$	12,258,556	\$	287,831	\$	12,546,387	\$	-
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The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 2,064,583
Total assets	<u>\$ 2,064,583</u>
<u>LIABILITIES</u>	
Deposits held for others	<u>2,064,583</u>
Total liabilities	<u>\$ 2,064,583</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rio Rancho (City) was incorporated in 1981 and the voters approved a home rule amendment to the charter in 1992. The City operates under a manager-council form of government with six council members.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Reporting Entity

The City's major operations include police and fire protection, library, parks and recreation, certain community and social services and general administrative services. In addition, the City owns and operates two enterprise funds, which includes a Utilities Fund for water and wastewater operations and the Multi-purpose Event Center.

The financial reporting entity consists of a primary government. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the City as a whole. The reported information includes all of the nonfiduciary activities of the City. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes,

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

investment income and other items not included among program revenues, but are reported instead as general revenues.

Individual financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The City does not allocate indirect expense to functions in the statement of activities.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipts taxes, state shared taxes, franchise fees, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds.

Public Safety Grants Fund – This special revenue fund accounts for various state and federal grants.

Bond Construction Fund 2009 Roads – This capital projects fund is used to account for the construction of various roads throughout the City.

Infrastructure Fund – This capital projects fund is used to account for the construction of various roads throughout the City.

The City reports the following major proprietary funds.

Utilities Fund – This enterprise fund is used to account for all operations of the water and wastewater systems.

Multi-Purpose Event Center Fund – This enterprise fund is used to account for all construction and operations of the multi-purpose event center.

Additionally, the City reports the following fund type:

Fiduciary Fund – The Fiduciary Fund consists of agency funds which account for assets held by the City on behalf of others and includes the Special Assessment Operations, District V, VI, and VII Bonds Fund, the Municipal Court Fund, the Motor Vehicle Division Fund, the Gross Receipts Incentive Program (GRIP), Rio Metro Fund, and the Rio Rancho Economic Development Fund. These funds account for monies temporarily held by the City as an agent.

Internal Service Fund – The Internal services funds account for health and dental services provided by all employees of the government on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The principal operating revenues of the City's enterprise funds are charges to customers for water and wastewater services and the event center. Operating expenses for this fund include production costs, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources in order of committed, and then assigned as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

D. Investments

New Mexico Statutes Annotated (NMSA) authorizes the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, towns, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, NMSA 1978, empowers the State Treasurer, with the advise and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A portion of the cash and investments of funds of the City is pooled for investment purposes. The balance reported for each participating fund as "Cash and Investments" represents the equity of that fund in the pooled cash and investments. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Investment Income

Investment income is composed of interest and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the City as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property in the City for the fiscal year 2011 tax levy had a taxable value of \$2,049,032,995. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mils (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mils. The 2011 weighted average residential and non-residential City rate for both operations and debt service was 8.173 mils. Property taxes are payable in two equal installments due on November 10th of the current year and April 10th of the following year and become delinquent after 30 days.

G. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Goodwill represents the excess of the cost of an acquisition over fair value of the City's share of the net identifiable assets of the controlled entity/associate at the date of the acquisition of the Utility. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

General government infrastructure assets acquired prior to July 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1981. These infrastructure assets are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Improvements other than buildings	20
Public domain infrastructure	15-65
System infrastructure	30
Vehicles	8
Furniture and equipment	5

H. Compensated Absences

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest immediately at the employee's current rate of pay. Sick leave benefits may be converted to vacation leave at specified rates upon retirement after 10 or more years of service; however, the sick leave benefits do not vest. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the General Fund are used to pay for compensated absences.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Net Assets Restriction

In the government-wide financial statements only restrictions imposed by external sources or enabling legislation are identified as restricted net assets.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

L. Budgets

The General, Special Revenue, Debt Service, Capital Projects, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division.

During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the City submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the City to operate on the proposed budget subject to adjustments and/or revisions prior to final subsequent approval before the first Monday in September. Such approval is contingent upon the City Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the City Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the budget referred to is the fund's total budget.

The adopted budget of the City is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2011 were cash in bank, investments held by the State Treasurer, and investments held by City.

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2011, the carrying amount of the City's deposits was \$42,878,868 and the bank was \$43,903,206. The difference represents outstanding checks, deposits, and other reconciling items. In addition, the City has \$15,910 of cash on hand at June 30, 2011.

Custodial credit risk – deposits. The risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The City's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2011, \$43,903,206 of the City's bank balance was exposed to custodial credit risk as insured and collateralized with securities held by the pledging financial institution's trust department.

Effective 12/31/10 through 12/31/12, a temporary change in Federal Deposit Insurance Corporation (FDIC) insurance coverage will be fully insured regardless of the amount in the account. The temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

The pledged collateral by bank at June 30, 2011, consists of the following.

	Restricted	Operating	Savings
Total amount on deposit	\$850,614	\$40,049,720	\$3,002,872
Less FDIC coverage	0**	(40,049,720)	(250,000)
Total uninsured public funds	850,614	0	2,752,872
50% collateral requirement	425,307	0	1,376,436
Pledged securities, fair value	425,307	0	6,908,206
Pledged in excess of requirement	\$0	\$0	\$5,531,770

**Bank of New York Mellon pledges internal cash reserves of 100% of deposit amounts.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

As of June 30, 2011, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
State Treasurer's Investment Pool	\$104,083	\$104,083	
Certificates of Deposit	1,002,758	1,002,758	
Federal Home Loan Mortgage Coupon (FHLMC)	9,183,066		9,183,066
Total	<u>\$10,289,907</u>	<u>\$1,106,841</u>	<u>\$9,183,066</u>

Credit Risk

A primary stated objective of the City of Rio Rancho's adopted Investment Policy is the safety of principal and avoidance of principal loss. Risk is controlled by investment in the highest credit quality investments as defined by its adopted Policy and state law. The investments primary objective is to ensure that capital losses are avoided, whether from security defaults or erosion of market value.

Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only:

- repurchase agreements with depository institutions,
- time and demand deposits of New Mexico banks,
- savings and loan association deposits,
- investment grade obligations of state and local governments,
- commercial paper,
- money market mutual funds, and
- State Treasurer's local government investment pool.

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the US Government, its agencies or instrumentalities. The City's adopted Investment Policy restricts investment in banker's acceptances and mortgage-backed derivative securities.

The City's Policy and state law restrict certificates of deposit to those which are fully collateralized or insured and issued by eligible depositories in New Mexico. Such CDs are further collateralized to 100% with pledged US obligations securities held by an independent custodian.

State and municipal obligations from entities within the United States must have a taxable valuation of real property for the preceding year of at least \$1 million and that has not defaulted in bond obligations within the preceding five years.

Money market mutual funds must be registered under the 1940 Act and must have assets of at least \$100 million. The City's Policy does not require that SEC registered money market mutual funds be rated as to investment quality.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

The State of New Mexico's local government investment pool (LGIP) is managed by the State Treasurer, rated AAAm by Standard & Poors. The pool is authorized by State statute.

As of June 30, 2011,

- commercial paper represented 0% of the total portfolio,
- certificates of deposit represented 1.88% of the total portfolio,
- investment in the State Treasurer's local government investment pool represented 0.20% of the total portfolio,
- investment in a money market mutual fund operating as a bank sweep vehicle represented 0% of the total portfolio,
- collateralized holdings in depository demand accounts represented 80.70% of the portfolio, and
- the remainder of the portfolio (17.22%) was in US Government securities rated AAA.

Concentration of Credit Risk

The City of Rio Rancho's adopted Investment Policy stresses diversification on all investments. With the exception of US Treasuries and cash on deposit at the City's depository bank, the City's Policy allows no more than 50% of the total portfolio to be invested in any single investment type, any single financial institution, or single maturity.

As of June 30, 2011,

- holdings in the State Treasurer's local government investment fund represented 0.20% of the total portfolio,
- holdings in insured/collateralized bank deposits at the Depository bank represented 80.70% of the total portfolio,
- holding in a money market mutual fund used as a bank sweep represented 0% of the total portfolio, and
- the remainder of the portfolio was in US Government securities and three different agencies of the US Government (FHLB 0%, FHLMC 17.22% and FNMA 0%).

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity on any investment of three (3) years with the exception of bond or trust funds which should be matched to the planned expenditures of the funds.

As of June 30, 2011, the portfolio contained one holding with a stated maturity beyond one year. The portfolio contained one structured note which could have interest rate risk.

As of June 30, 2011, the portfolio contained:

- no investment matured beyond 24 months, and

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (Concl'd)

- the dollar weighted average maturity of the total portfolio was 127 days.

Custodial Credit Risk

To control custody risk State law and the City of Rio Rancho's adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party approved by the City. All securities and collateral are held in the City's name. The custodian is required to provide original safekeeping receipts. Repurchase agreements and deposits must be collateralized to 102% and 100% respectively.

Portfolio disclosure as of June 30, 2011:

- the portfolio contained no certificates of deposit
- the portfolio contained no repurchase agreements
- all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

The City's investment in the New Mexico State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio. The City's portion is not identified with specific investments and is not subject to custodial risk; however, separately issued financial statements of the Office of the State Treasurer disclose the collateral pledged to secure the State Treasurer's cash and investments. The most recent report may be obtained by contacting the Office of the State Treasurer, P.O. Box 608, Santa Fe, NM 8754-0608.

NOTE 3 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and Proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

	<u>Unavailable</u>	<u>Unearned</u>
Governmental Funds:		
Delinquent property taxes receivable (General Fund)	\$ 793,640	\$
Customer deposits (General Fund)		120,663
Confiscations (General Fund)		47,742
Federal and state revenues (Infrastructure Fund)		393,624
Federal and state revenues (Non-major Funds)		95,795
Delinquent property taxes receivable (Non-major Funds)	433,004	
Total deferred revenue for governmental funds	<u>\$ 1,226,644</u>	<u>\$ 657,824</u>

In addition, the accounts receivable balances for the General Fund and the Utilities Fund are net an allowance of approximately \$497,000 and \$774,000, respectively.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2011 follows.

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$58,828,805	\$2,789,218		\$61,618,023
Construction in progress	58,598,105	20,033,395	(30,227,891)	48,403,609
Total capital assets, not being depreciated	<u>117,426,910</u>	<u>22,822,613</u>	<u>(30,227,891)</u>	<u>110,021,632</u>
Capital assets, being depreciated:				
Infrastructure	217,630,494	29,584,469		247,214,963
Buildings and improvements	51,157,085	634,528		51,791,613
Land improvements	11,611,907	1,391,658		13,003,565
Vehicles, furniture and equipment	23,038,137	1,516,351	(916,742)	23,637,746
Total capital assets being depreciated	<u>303,437,623</u>	<u>33,127,006</u>	<u>(916,742)</u>	<u>335,647,887</u>
Less accumulated depreciation for:				
Infrastructure	(117,287,048)	(7,557,227)		(124,844,275)
Buildings and improvements	(4,745,148)	(1,026,051)		(5,771,199)
Land improvements	(3,261,151)	(576,955)		(3,838,106)
Vehicles, furniture and equipment	(14,701,414)	(1,696,152)	649,468	(15,748,098)
Total accumulated depreciation	<u>(139,994,761)</u>	<u>(10,856,385)</u>	<u>649,468</u>	<u>(150,201,678)</u>
Total capital assets, being depreciated, net	<u>163,442,862</u>	<u>22,270,621</u>	<u>(267,274)</u>	<u>185,446,210</u>
Governmental activities capital assets, net	<u>\$280,869,772</u>	<u>\$45,093,234</u>	<u>\$30,495,165</u>	<u>\$295,467,841</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 – CAPITAL ASSETS (Cont'd)

Business-Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$22,056,103	\$ 6,298,822		\$28,354,925
Construction in progress	68,982,505	11,497,548	(25,336,684)	55,143,369
Total capital assets, not being depreciated	91,038,608	17,796,370	(25,336,684)	83,498,294
Capital assets, being depreciated:				
Building and Improvements	82,533,220	4,608,097	(10,407)	87,130,910
System infrastructure	111,283,477	16,843,290		128,126,767
Vehicles, furniture and equipment	29,194,810	8,820,531	(11,242)	38,004,099
Land Improvements	3,859,389	4,582,309		8,441,698
Total capital assets being depreciated	226,870,896	34,854,227	(21,649)	261,703,474
Less accumulated depreciation for:				
Building and Improvements	(9,657,653)	(1,691,528)	2,958	(11,346,223)
System infrastructure	(14,411,719)	(1,827,097)		(16,238,816)
Vehicles, furniture and equipment	(14,651,274)	(2,266,123)	4,765	(16,912,632)
Land Improvements	(814,846)	(226,763)		(1,041,609)
Total accumulated depreciation	(39,535,492)	(6,011,511)	7,723	(45,539,280)
Total capital assets, being depreciated, net	187,335,404	28,842,716	(13,926)	216,164,194
Business-type activities capital assets, net	<u>\$278,374,012</u>	<u>\$ 46,639,086</u>	<u>\$ 25,350,610</u>	<u>\$299,662,488</u>

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:	
General government	\$ 390,828
Public safety	1,278,502
Public works	7,916,606
Culture and recreation	1,242,156
Economic development	28,293
Total depreciation expense – governmental activities	<u>\$ 10,856,385</u>
Business-Type Activities:	
Event center	\$ 879,674
Water	2,723,613
Wastewater	2,408,224
Total depreciation expense – business-type activities	<u>\$ 6,011,511</u>

Construction Commitments - As of June 30, 2011, the City was involved in several construction projects. The estimated cost to complete the construction projects is \$114,339,445.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10 to 15 year serial bonds with varying amounts of principal maturing each year. General Obligation bonds outstanding as reported in governmental activities at June 30, 2011 were as follows.

	<u>Outstanding June 30, 2011</u>
Governmental Activities General Obligation Bonds:	
\$5,000,000 General Obligation, Series 2002, due in annual installments of \$250,000 to \$600,000 through 08/01/2014; interest at 3.6 percent to 5.0 percent	\$ 850,000
\$5,500,000 General Obligation, Series 2004, due in annual installments of \$75,000 to 725,000 through 08/01/2016; interest at 3.15 percent to 4.0 percent	2,950,000
\$7,000,000 General Obligation, Series 2006, due in annual installments of \$300,000 to \$1,150,000 through 08/01/2018; interest at 4.0 percent to 5.0 percent	4,850,000
\$25,000,000 General Obligation, Series 2009, due in annual installments of \$1,500,000 to \$2,175,000 through 08/01/2021; interest at 2.5 percent to 4.0 percent	<u>20,925,000</u>
Total Governmental Activities General Obligation Bonds	<u>\$29,575,000</u>

B. Gross Receipts Tax Revenue Bonds

Gross receipts tax revenue bonds are issued specifically for the acquisition and construction of major capital facilities. These bonds are secured by a pledge of gross receipts tax revenue. Gross receipts tax revenue bonds outstanding as reported in governmental activities at June 30, 2011 were as follows.

	<u>Outstanding June 30, 2011</u>
Governmental Activities Revenue Bonds:	
\$18,130,000 Gross Receipts Tax Bonds, Series 2005, due in annual installments of \$210,000 to \$1,625,000, through 06/01/2025; interest at 3.0 percent to 5.0 percent	<u>\$16,660,000</u>
Total Governmental Activities Revenue Bonds	<u>\$16,660,000</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

C. Water and Wastewater Revenue Bonds

Water and Wastewater revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements to the water and wastewater systems of the City and to pay the costs incurred in connection with the issuance of the bonds. These bonds are secured by a pledge of revenues of the systems, and do not constitute a general obligation of the City backed by the general taxing authority. Water and Wastewater system revenue bonds outstanding as reported in business-type activities at June 30, 2011 were as follows.

	<u>Outstanding June 30, 2011</u>
Business-Type Activities Revenue Bonds:	
\$4,395,000 Water & Wastewater System Bonds, Series 2004, due in annual installments of \$170,000 to \$310,000 through 05/15/2024; interest at 2.375 percent to 4.5 percent	\$ 3,195,000
\$21,225,000 Water & Wastewater System Bonds, Series 2005, due in annual installments of \$715,000 to \$1,580,000 through 05/15/2025; interest at 3.25 percent to 5.0 percent	16,530,000
\$32,930,000 Water & Wastewater System Bonds, Series 2007, due in annual installments of \$310,000 to \$3,235,000 through 05/15/2032; interest at 4.0 percent to 4.5 percent	31,620,000
\$13,240,000 Water & Wastewater System Bonds, Series 2008, due in annual installments of \$255,000 to \$830,000 through 05/15/2034; interest at 3.0 percent to 4.5 percent	12,345,000
\$57,990,000 Water & Wastewater System Refunding Bonds, Series 2009, due in annual installments of \$3,790,000 to \$5,710,000 through 05/15/2022; interest at 4.4 percent to 5.3 percent	<u>50,535,000</u>
Total Business-Type Activities Revenue Bonds	<u>\$114,225,000</u>

D. Event Center Revenue Bonds

The Event Center revenue bonds are issued to provide for acquiring land for, and designing, purchasing, constructing, remodeling, rehabilitation, renovation, improving, equipping and furnishing, a municipal event center. These bonds are secured by a pledge of revenues from rentals, receipts, fees or other charges imposed from the event center. Event center revenue bonds outstanding as reported in business-type activities at June 30, 2011 were as follows.

	<u>Outstanding June 30, 2011</u>
Business-Type Activities Revenue Bonds:	
\$35,750,000 Taxable Event Center Revenue Bonds, Series 2005, due in annual installments of \$1,120,000 to \$2,735,000 through 05/15/2027; interest at 4.20 percent to 5.15 percent	<u>\$30,980,000</u>
Total Business-Type Activities Revenue Bonds	<u>\$30,980,000</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

E. Note Payable

The City has entered into intercept agreements with the State of New Mexico Finance Authority (NMFA) for the purchase of capital equipment and facilities. Notes payable outstanding as reported in the governmental activities at June 30, 2011 were as follows.

	Outstanding June 30, 2011
Governmental Activities Revenue Bonds:	
\$1,649,286 Note Payable, Fire Equipment, due in annual installments of \$35,000 to \$146,015 through 05/01/2022; interest at 3.32 percent to 3.91 percent	1,335,591
\$337,259 Note Payable, Fire Pumper & Equip, due in annual installments of \$29,113 to \$37,731 through 05/01/2020; interest at .98 percent to 3.22 percent	308,146
\$5,217,100 Note Payable, HP Project, due in annual installments of \$157,100 to \$400,000 through 06/01/2028; interest at 4.0 percent to 5.2 percent	4,705,000
\$4,669,000 Note Payable, HS Road Project, due in annual installments of \$205,000 to \$365,000 through 06/01/2028; interest at 1.6 percent to 5.3 percent	4,669,000
\$269,990 Note Payable, Public Safety, due in annual installments of \$53,069 to \$55,333 through 05/01/2015; interest at 1.497 percent	216,950
\$967,515 Note Payable, GRT Refunding, due in annual installments of \$317,724 to \$327,682 through 06/01/2015; interest at 1.65 percent	967,515
\$3,942,260 Note Payable, Infrastructure Improvements, due in annual installments of \$226,382 to \$325,754 through 05/01/2025; interest at 3.46 percent	3,715,878
Total Notes Payable	<u>\$15,918,080</u>

F. Loan Payable

A loan was issued by the New Mexico Environment Department under the Clean Water State Revolving Loan Fund, which is also known as the Wastewater Facility Construction Loan Program. The loan proceeds were used for wastewater treatment system upgrades to increase capacity, biological nutrient removal and other approved wastewater treatment improvements. Loan payable outstanding as reported in the business-type activities at June 30, 2011 were as follows.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

	Outstanding June 30, 2011
Business-Type Activities Loan Payable:	
\$10,486,627 Note Payable, Wastewater Facility Construction, due in annual installments of \$426,456 to \$684,336 through 12/02/2023; interest at 3.0 percent.	\$ 7,016,240
\$315,713 Note Payable, Water Project Fund Loan, due in annual installments of \$12,987 to \$18,938 through 05/15/2031; interest at 2.0 percent	315,713
\$1,010,000 Note Payable, Water Project Fund Loan, due in annual installments of \$45,856 to \$55,428 through 05/15/2031; interest at 1.0 percent	1,010,000
\$7,000,000 Note Payable, Water Rights, due in annual installments of \$274,221 to \$488,849 through 05/01/2030; interest at 4.028 percent	6,725,779
\$25,000,000 Note Payable Wastewater Treatment System Improvements, due in annual installments of \$930,393 to \$1,631,449 through 12/01/2031; interest 2.56 percent	1,446,140
Total Loans Payable	<u>\$ 16,513,872</u>

G. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$32,875,000		\$(3,300,000)	\$29,575,000	\$ 3,700,000
Revenue bonds	17,820,000		(1,160,000)	16,660,000	585,000
Less deferred amounts:					
For issuance discounts	(170,244)		14,187	(156,057)	
For issuance premium	1,636,008		(249,683)	1,386,325	
On refunding	(38,312)		38,312		
Total bonds payable	<u>52,122,452</u>		<u>(4,657,184)</u>	<u>47,465,268</u>	<u>4,285,000</u>
Notes payable	11,563,370	5,179,765	(825,055)	15,918,080	802,639
Compensated absences	4,789,388	3,332,774	(3,025,041)	5,097,121	5,097,121
Governmental activity					
Long-term liabilities	<u>\$68,475,210</u>	<u>\$8,512,539</u>	<u>\$(8,507,280)</u>	<u>\$68,480,469</u>	<u>\$10,184,760</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$151,825,000		\$(6,620,000)	\$145,205,000	\$6,835,000
Less deferred amounts:					
For issuance discounts	(689,608)		40,807	(648,801)	
For issuance premium	5,073,395		(377,446)	4,695,949	
Total bonds payable	<u>156,208,787</u>		<u>(6,956,639)</u>	<u>149,252,148</u>	<u>6,835,000</u>
Notes payable	8,888,514	8,446,141	(820,783)	16,513,872	829,226
Compensated absences	<u>71,552</u>	<u>89,952</u>	<u>(86,823)</u>	<u>74,681</u>	<u>74,681</u>
Business-type activity					
Long-term liabilities	<u>\$165,168,853</u>	<u>\$8,536,093</u>	<u>\$(7,864,245)</u>	<u>\$165,840,701</u>	<u>\$7,738,907</u>

H. Special Assessment Bonds

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public action and the proceeds are used to offset the defaulted assessment.

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City. Special assessment bonds payable at June 30, 2011 were \$13,841,263.

I. Statutory Debt Limitation

The Constitution of the State of New Mexico limits the amount of general purpose government obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2011, based on the most recent assessed taxable valuation of \$2,049,032,995 the City may issue an additional \$52,386,320 of general purpose general obligation bonds.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 - LONG-TERM LIABILITIES (Cont'd)

J. Bond Covenants

Pursuant to certain bond indenture agreements, the City is obligated to various limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverage's. Management believes the City is in compliance with all such significant limitations and restrictions.

K. Debt Service Requirements to Maturity

The following is a summary of debt service requirements to maturity, which includes interest, for all bonds and loans payable as of June 30, 2011.

	Governmental Activities						
Years ended June 30,	General Obligation Bonds		Revenue Bonds		Notes Payable		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$3,700,000	\$963,538	\$585,000	\$798,474	\$802,639	\$636,421	\$7,486,072
2013	2,650,000	861,463	920,000	775,074	1,142,282	615,746	6,964,565
2014	2,550,000	780,488	955,000	738,274	1,169,859	588,885	6,782,506
2015	2,925,000	693,081	1,005,000	690,524	1,199,987	564,108	7,077,700
2016	3,100,000	591,713	1,055,000	690,274	846,883	521,880	6,805,750
2017-2021	12,825,000	1,441,625	6,090,000	2,384,329	4,692,437	2,084,345	29,517,736
2022-2026	1,825,000	36,500	6,050,000	733,875	4,614,993	1,015,098	14,275,466
2027-2028					1,449,000	110,034	1,559,034
Total	\$29,575,000	\$5,368,408	\$16,660,000	\$6,810,824	\$15,918,080	\$6,136,517	\$80,468,829

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Cont'd)

Years ended June 30,	Business-Type Activities				Total
	Revenue Bonds		Notes Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$6,835,000	\$6,627,954	\$829,226	\$462,384	\$14,754,564
2013	7,050,000	6,408,848	1,777,710	1,194,296	16,430,854
2014	7,345,000	6,121,880	1,382,556	811,618	15,661,054
2015	7,680,000	5,820,430	887,738	1,097,217	15,485,385
2016	7,950,000	5,533,170	910,167	381,451	14,774,788
2017-2021	45,695,000	21,683,021	4,948,007	1,510,111	73,836,139
2022-2026	36,785,000	10,791,619	3,584,546	759,028	51,920,193
2027-2031	20,245,000	3,862,790	2,193,922	228,487	26,530,199
2032-2034	5,620,000	363,375			5,983,375
Total	\$145,205,000	\$67,213,087	\$16,513,872	\$6,444,592	\$235,376,551

L. Arbitrage on Tax Exempt Bonds

Prior to the Tax Reform Act (TRA) of 1986, State and Local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a State or Local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if: 1) all of the gross proceeds of the issue, other than the reserve fund, are spent within the six month period. The term gross proceeds for the purposes of the rule include both the sale proceeds received from the bond

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM LIABILITIES (Concl'd)

purchase on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The following is a schedule of bond issues, along with the bond year ends and arbitrage rebate due dates. The City has had the first arbitrage computation for the bonds, completed as indicated:

	First Computation Date	First Payment Due to IRS	First Computation of Arbitrage Completed
General Obligations, Series 2006	6/30/10	7/31/11	X
General Obligations, Series 2009	6/30/10	7/27/14	X

NOTE 6 – OPERATING LEASES

The City has entered into noncancelable operating leases for computers and office equipment. The operating lease expenditures for the year ended June 30, 2011 were \$395,911. The minimum lease payments are as follows.

Year ending June 30:

2012	\$354,896
2013	51,526
2014	48,851
2015	33,521
Total	<u>\$488,794</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2011, interfund balances were as follows.

Due to/from other funds:

At June 30, 2011, Governmental Funds had a \$1,197,363 interfund payable with the General Fund and an interfund payable in the amount of \$5,922,073 with the Bond Construction 2009 Roads Fund. Additionally, there was \$253,332 in interfund receivable and \$551,265 in interfund payables for the non major funds. These balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

Interfund transfers:

		Transfer In			
Transfer out		General Fund	Infrastructure Fund	Non-Major Governmental Fund	Total
	General Fund		\$50,588	\$433,957	\$484,545
	Infrastructure Fund	209,406		253,585	462,991
	Non-Major Governmental	537,872			537,872
	Total	<u>\$747,278</u>	<u>\$50,588</u>	<u>\$687,542</u>	<u>\$1,485,408</u>

Interfund transfers were made by the City during the fiscal year to meet project-matching requirements to cover expenditures in the applicable funds. The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

NOTE 8 - CONTINGENT LIABILITIES

Federal and State grants and loans

The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2011. At this point, the City expects to receive all outstanding funds, however there is always the risk that cost will be disallowed or programs not appropriated.

Lawsuits

The City accrued a litigation liability in the amount of \$750,000 related to a lawsuit that has ruled against the City. The City is in negotiations on a possible settlement but it is probable the City will owe the plaintiff \$750,000. This amount is not due and payable in the next fiscal year, so this amount has been recorded in the governmental activities of the statement of net assets and statement of activities.

The City is also a defendant in a number of other lawsuits as of June 30, 2011. It is the opinion of management and City council that the amount of losses resulting from these litigations at June 30, 2011, would not be material to the financial position of the City.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances - At June 30, 2011, the following individual major and non-major funds reported deficits in fund balance.

	<u>Deficit</u>
Major Funds:	
Public Safety Grants	\$2,122
Infrastructure	2,469,524
Non-Major Funds:	
Keep Rio Rancho Beautiful	\$4,865
Community Response Program	539
State Appropriation Capital Projects	132,210

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2011-12 are expected to eliminate the deficits.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1985, the City was unable to obtain general property, worker's compensation and liability insurance at a cost it considered to be economically justifiable. Therefore, the City joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City paid an annual premium of \$1,035,986 the Pool for its general insurance coverage during the fiscal year. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims.

The City carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Health and Dental coverage are being provided through a self-insurance program administered by outside carriers (Lovelace & Presbyterian, for medical, Express Scripts for prescriptions, and Delta Dental for dental). The City reports its self-insurance programs in the Internal Service Funds. Amounts are transferred from the General and Utility Funds to the Internal Service Funds to provide sufficient resources to cover claims incurred and to pay the insurance service agent's administrative fee.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 - RISK MANAGEMENT (Concl'd)

The following schedules represent the changes in claims liability for the past fiscal year for the City's Self-Insurance Programs:

Health and Dental Self-Insurance Fund:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year- End
2010-11	\$ -	\$5,536,677	\$(4,626,392)	\$910,285

NOTE 11 - RETIREMENT PLAN

Plan Description. Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 2.29% and 4.07% (ranges from 4.0 % to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The City is required to contribute between 6.86% and 21.25% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2011, 2010 and 2009 were \$5,688,026, \$5,834,625, and \$6,004,854, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 – POST-EMPLOYMENT BENEFITS (Cont'd)

Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

(1)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 – POST-EMPLOYMENT BENEFITS (Cont'd)

(2)

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 2.084% of each participating employee's annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contributions rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$327,286, \$345,389 and \$353,428, respectively, which equal the required contributions for each year.

NOTE 13 – FUND BALANCES

Effective for this fiscal year, GASB 54, Fund Balance Reporting and Governmental Fund type Definitions, was implemented. Below are the new fund balance classifications.

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In case of the City it is by Governing Body action.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – FUND BALANCES (Cont'd)

Assigned fund balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

A summary of the nature and purpose of balances with reserves by fund type at June 30, 2011 are as follows:

<i>Fund Name</i>	<i>Restricted</i>	<i>Committed</i>	<i>Assigned</i>
General Fund			
General Government	\$ 282,630		\$ 18,424
Bond Construction 2009 Roads			
Public Works	7,272,989		
Donations			
Various		31,864	
Recreation Activities Fund			
Culture and Recreation	170,347		
Recreation Fund			
Culture and Recreation	58,947		
Worker's Compensation			
General	627,603		
Senior Services			
Culture and Recreation	17,642		
Library			
Culture and Recreation	653,091		
Promotion and Marketing			
Economic Development	13,924		
Convention & Visitors Bureau			
Economic Development	26,078		
Rio Rancho Cable			
Culture and Recreation		90,598	
Government Corrections			
Public Safety	8,720		
Law Enforcement			
Public Safety	7,934		
DPS Enforcement Aid			
Public Safety	5,119		
Education and Enforcement Aid			
Public Safety	36,412		

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – FUND BALANCES (Cont'd)

<i>Fund Name</i>	<i>Restricted</i>	<i>Committed</i>	<i>Assigned</i>
NM Gang Task Force Grant			
Public Safety	20,084		
Fire Protection			
Public Safety	33,698		
Emergency Medical Services			
Public Safety	50		
Environmental Gross Receipts			
Public Works	2,501,833		
Higher Education Gross Receipts			
Education	3,224,007		
Municipal Road			
Public Works	402,072		
Recreation Development			
Culture & Recreation	128,937		
Debt Service Funds			
General Obligation Bonds			
Debt Service	4,180,471		
Tax Revenue Bonds Series 2005			
Debt Service	298,575		
Gross Receipts Tax Refund Loan			
Debt Service	2,949		
HP Loan			
Debt Service	89,983		
HS Loan			
Debt Service	34,325		
Capital Project Funds			
Capital Projects			
Public Works	63,978		
HP Infrastructure			
Public Works	280,952		
HS Infrastructure			
Public Works	493,927		
Construction 2004 Library			
Public Works	11,014		
Construction 2006 Aquatics			
Public Works	6,569		
Road Impact Fees			
Public Works	2,905,307		
Trail Impact Fees			
Public Works	153,528		

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – FUND BALANCES (Concl'd)

<i>Fund Name</i>	<i>Restricted</i>	<i>Committed</i>	<i>Assigned</i>
Park Impact Fees			
Public Works	602,392		
Public Safety Impact Fees			
Public Works	589,411		
Drainage Impact Fees			
Public Works	868,686		
Total	\$ 26,074,184	\$ 122,462	\$ 18,424

NOTE 14 – RESTATEMENTS AND RECLASSIFICATIONS

Certain June 30, 2010 amounts have been reclassified to conform to new GASB 54 (Fund Balance) definitions of requirements for special revenue funds and capital project funds.

The City as elected to implement the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Pursuant to this implementation it was decided that the previously reported Computer/Software Replacement, Equipment Replacement, Building Improvement, and Solid Waste Disposal-Indigent Funds did not meet the special revenue and capital projects fund requirements and as of June 30, 2011 has been eliminated for financial reporting purposes and combined with the General governmental fund that participate in equipment, building and indigent replacement or support during the year. The various fund balances have been restated as of June 30, 2011.

	EQUIPMENT REPLACEMENT	COMPUTER/ SOFTWARE REPLACEMENT	BUILDING IMPROVEMENT	SOLID WASTE DISPOSAL/ INDIGENT	GENERAL FUND
Fund balance- beginning of year	\$50,081	\$19,795	\$67,951	\$1,960	\$10,925,800
Equipment Replacement	(50,081)				
Computer/Software Replacement		(19,795)			
Building Improvement			(67,951)		
Solid Waste Disposal/Indigent				(1,960)	
General Fund					\$139,787
Fund balance – beginning of year, as restated	\$0	\$0	\$0	\$0	\$11,065,587

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 – SUBSEQUENT EVENTS

On August 24, 2011 and September 14, 2011, the City Governing Body approved an increase for the Utilities Water Rights acquisition fee from \$3 to \$5 a month for all City water accounts. This increase will generate approximately \$585,200.

On August 24, 2011, the City authorized and submitted a loan application in the amount of \$8,604,106 to the New Mexico Finance Authority (NMFA). On October 27, 2011 the NMFA Board approved the loan.

On October 20, 2011, the City installed the Loma Colorado Road Improvements project to the capital asset listing in the amount of \$2.3 million.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 7,688,507	\$ 4,728,690	\$ 6,089,332	\$ 18,506,529
Property taxes receivable		487,715		487,715
Accounts receivable	30,589			30,589
Due from federal government	329,215		129,946	459,161
Due from state government	577,053	316,317	23,386	916,756
Due from other funds			253,332	253,332
Restricted investments	339,000			339,000
Total assets	\$ 8,964,364	\$ 5,532,722	\$ 6,495,996	\$ 20,993,082
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 485,268	\$	\$ 377,833	\$ 863,101
Accrued payroll	24,280			24,280
Accrued interest payable	28,809	493,415		522,224
Due to other funds	297,933		253,332	551,265
Deferred revenue	74,518	433,004	21,277	528,799
Total liabilities	910,808	926,419	652,442	2,489,669
Fund balances:				
Non-Spendable				
Restricted	7,936,498	4,606,303	5,975,764	18,518,565
Committed	122,462			122,462
Assigned				
Unassigned	(5,404)		(132,210)	(137,614)
Total fund balances	8,053,556	4,606,303	5,843,554	18,503,413
Total liabilities and fund balances	\$ 8,964,364	\$ 5,532,722	\$ 6,495,996	\$ 20,993,082

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$	\$ 4,451,273	\$	\$ 4,451,273
Municipal and state shared taxes	3,747,581	1,733,702		5,481,283
Intergovernmental federal	1,570,026		4,110,970	5,680,996
Intergovernmental state	936,549		206,555	1,143,104
Impact fees			1,262,121	1,262,121
Charges for services	509,650			509,650
Fines and forfeits	66,670			66,670
Franchise fees	126,046			126,046
Contributions and donations	25,833		15,000	40,833
Investment income	1,661	479	1,244	3,384
Other revenues	595,054	23,830	177,319	796,203
Total revenues	<u>7,579,070</u>	<u>6,209,284</u>	<u>5,773,209</u>	<u>19,561,563</u>
Expenditures:				
Current -				
General government	3,629,451		213,340	3,842,791
Public safety	1,623,804			1,623,804
Public works	4,268,471		78,682	4,347,153
Culture and recreation	1,023,936		79,780	1,103,716
Economic development	553,905			553,905
Other expenses		43,874		43,874
Capital outlay	1,522,919		4,341,748	5,864,667
Debt service -				
Principal	473,755	4,640,000	171,300	5,285,055
Interest and fiscal charges	169,775	2,310,908	4,862	2,485,545
Total expenditures	<u>13,266,016</u>	<u>6,994,782</u>	<u>4,889,712</u>	<u>25,150,510</u>
Excess (deficiency) of revenues over expenditures	<u>(5,686,946)</u>	<u>(785,498)</u>	<u>883,497</u>	<u>(5,588,947)</u>
Other financing sources (uses):				
Issuance of debt	4,212,250	967,515		5,179,765
Transfers in	318,898	237,006	131,638	687,542
Transfers out	(259,070)	(4,685)	(274,117)	(537,872)
Total other financing sources (uses)	<u>4,272,078</u>	<u>1,199,836</u>	<u>(142,479)</u>	<u>5,329,435</u>
Change in fund balances	<u>(1,414,868)</u>	<u>414,338</u>	<u>741,018</u>	<u>(259,512)</u>
Fund balances, beginning of year	9,468,424	4,191,965	5,102,536	18,762,925
Fund balances, end of year	<u>\$ 8,053,556</u>	<u>\$ 4,606,303</u>	<u>\$ 5,843,554</u>	<u>\$ 18,503,413</u>

NON-MAJOR GOVERNMENTAL FUNDS

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NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Donations Fund - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purposes specified by the donor. (Provided for by City Budget Resolution.)

Aquatics Swim Team Fund - To account for fees for the USS swim team to be facilitated at the indoor aquatic center. (Provided for by City Budget Resolution)

Recreation Activities Fund - To account for revenues received for recreation fees and vending machines placed in City facilities. Expenditures may be used for programs and activities, such as, classes and softball programs and various community projects. (Provided for by City Budget Resolution.)

Recreation Fund - To account for revenues collected from taxes on cigarettes sold within City boundaries pursuant to the Cigarette Tax Act, NMSA 7-12-1 and 7-12-15. Expenditures from this fund may be used for recreational facilities and salaries of employees necessary for the operation of such facilities.

Keep Rio Rancho Beautiful Grant Fund - To account for New Mexico Clean & Beautiful Litter Control & Beautification grant funds. Expenditures may be used for equipment, landscaping, program promotion, recycling, education, and anti-graffiti programs. (Pursuant to NMSA, Section 67-16-1 to 67-16-14.)

Community Response Program Fund - To account for Community Emergency Response Team federal grant funds. Expenditures from this fund may be used to find, train, equip and maintain citizen volunteer teams to respond to and support emergency operations. (Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended 42 U.S.C. 5121 et seq.)

Workers Compensation Fund - To account for revenues from other funds for the purpose of self funding workers compensation insurance administered by the New Mexico Self Insurance Fund. (Provided for by City Budget Resolution)

Senior Services Fund - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purpose specified by the donor. (Provided for by City Budget Resolution.)

Library Fund - To account for grants, gifts, donations, devises or bequests made to the City, pursuant to NMSA 3-18-4, for the purpose of establishing, increasing or improving the library.

Promotion and Marketing Fund - To account for promotional activities. Expenditures from this fund may be used for special events; promoting convention, exposition or entertainment facilities; or advertising and marketing facilities. (Provided for by City Budget Resolution.)

NON-MAJOR GOVENMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Cont'd)

Rio Rancho Convention & Visitors Bureau Fund – To account for revenues collected from occupancy taxes (3%) levied within City boundaries pursuant to NMSA 3-38-15. Expenditures from this fund may be used for acquiring, constructing, improving, establishing, and operating convention, exposition or entertainment facilities; acquiring or obtaining an interest in such facilities; or advertising, publicizing, and promoting such facilities.

Rio Vision Cable Fund - To account for cable franchise fees (2%) received to operate and promote a public access television channel. (Provided for by City Budget Resolution.)

ARRA – DOJ Fund – To account for 2009 Recovery Act Justice Assistance Grant funds, from the American Recovery and Reinvestment Act (ARRA). These funds allotted to the City will be used to acquire necessary equipment for the newly-hired full-time law enforcement officers hired under the COPS Grant.

Local Government Corrections Fund – To account for revenues collected from the assessment for correction fees and court costs, pursuant to NMSA 35-14-11. Expenditures from this fund may be used for municipal jailer or juvenile detention officer training; for planning, construction, operating and maintaining a municipal jail for juveniles in a detention facility; or for complying with match or contribution requirements for the receipt of Federal funds relating to jailing or juvenile detention facilities.

Law Enforcement Fund – To account for State revenues received pursuant to the Law Enforcement Corrections Act, NMSA 29-13-3. Expenditures from this fund may be used for the repair and purchase of law enforcement apparatus and equipment, expenditures associated with advanced law enforcement planning and training, and complying with match or contribution requirements for receipt of Federal funds, and salaries for law enforcement personnel under certain conditions.

DPS Enforcement Aid Fund – To account for revenue generated from asset forfeitures obtained through narcotics investigations. These revenues can be utilized for officer overtime, police equipment, undercover vehicles, purchase of evidence, training and other narcotic investigation related expenses. (Pursuant to the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.)

Traffic Education and Enforcement Aid Fund – To account for revenues received from the New Mexico Traffic Bureau for DWI checkpoint enforcement and safety belt enforcement. (Pursuant to NMSA 66-7-501 to 511)

NM Gang Task Force Fund – To account for revenue received from the U.S. Department of Justice, Justice Assistance Grant (JAG) and the American Recovery and Reinvestment Act (ARRA) to provide training for police agencies throughout the state. (Pursuant to the Omnibus Crime Control and Safe Streets Act of 1968 and the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (the "Recovery Act"))

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Cont'd)

Fire Protection Fund – To account for State revenues received pursuant to the Fire Protection Fund Law, NMSA 59A-53-1-19. Expenditures from this fund may be used for the purchase, construction, operating, and maintenance of fire stations, except for the station's water supply system; fire apparatus and equipment; the payment of insurance premiums on the above; and for insurance premiums for injuries or death of firefighters.

Emergency Medical Services (EMS) Fund – To account for State revenues received to the Emergency Medical Services Fund Act, 24-10A-1-10. Expenditures from this fund may be used for the establishment of emergency medical services; to acquire emergency medical services vehicles, equipment and supplies; and for training and licensing of local emergency management services personnel.

Summer Lunch Program Fund – To account for the US Department of Agriculture's Summer Food Service Program (SFSP) administered through the Children Youth and Families Department of the State of New Mexico. The New Mexico SFSP is the single largest federal resource available for local organizations that want to combine a lunch program with a summer activity program for children. The SFSP provides free, nutritious meals and snacks to help children in low-income areas get the nutrition throughout the summer months when they are out of school. (Richard B. Russell National School Lunch Act, Section 9, 13, and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a)

Recovery ARRA EECBG Fund – To account for the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) under the 2009 American Recovery and Reinvestment Act (ARRA) to be used to develop and implement a City Energy & Sustainability Plan, develop a Comprehensive Bicycle/Pedestrian Transportation Master Plan, to purchase and install equipment for Server Virtualization, and Consolidation, to provide building inspection training, to do building lighting retrofits and to put a cool roof on the Santa Ana Star Center.

Environmental Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, operation, and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities. (Pursuant to NMSA, 1978 section 7-19D-17.)

Higher Education Gross Receipts Tax Fund – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, renovation or improvement of facilities of a four-year post-secondary public education institution located in the municipality and acquisition of or improvements to land for those facilities or payment of municipal higher education facilities gross receipts tax revenue bonds issued. (Pursuant to Chapter 3, Article 31 NMSA 1978)

Municipal Road Fund – To account for revenues received from the levy of a tax per gallon of gasoline purchased within City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-1-6.9. Expenditures from this fund may be used for the construction of a street, ally, curb, gutter or sidewalk projects.

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Concl'd)

Recreation Development Fund – To account for revenues received for the construction of park facilities. This fund is also used to account for transfers from the General Fund, grants and donations for the development and construction of park facilities. (Provided for by City Budget Resolution.)

HUD – CDBG Fund – To account for CDBG grant funds received to prepare an action plan to address issues of low to moderate-income residents. (Title I, Housing & Comm. Dev. Act, PL 92-383.)

Crime Victims Assistance Fund – To account for Federal funds used towards the advocacy for victims of all crimes. (Pursuant to the Victims of Crime Act of 1984.)

DEBT SERVICE FUNDS:

General Obligation Bonds Fund – To account for the debt service of Library Series 2004, Aquatics Series 2006, and Roads Series 2009.

Gross Receipts Tax Revenue Bonds Series 2003 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2003.

Gross Receipts Tax Revenue Bonds Series 2005 Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2005.

Gross Receipts Tax Refund Loan Fund – To account for the debt service resulting from Gross Receipts Tax Refund Loan, Series 2010.

HPLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

HSLoan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

CAPITAL PROJECT FUNDS:

Capital Projects Fund – To account for City facility construction and building improvements from General Fund transfers and intergovernmental grants.

HP Infrastructure Fund – To account for Central Business District infrastructure improvement projects including water, wastewater and roads within the governmental unit.

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

CAPITAL PROJECT FUNDS (Concl'd)

HS Infrastructure Fund – To account for infrastructure for the completion of the extension of Paseo del Volcan and the completion of the infrastructure pertaining to the new Rio Rancho High School within the governmental unit.

ARRA Stimulus Roads Fund – To account for revenues received from American Recovery and Reinvestment Act (ARRA) of 2009 agreement with the New Mexico Department of Transportation (NMDOT) to construct Paseo del Volcan Phase II from Iris to US Highway 550.

State Appropriation Fund – To account for state appropriation capital expenditures approved by the State of New Mexico.

Bond Construction 2004 – To account for proceeds received for construction of Loma Colorado site Library.

Bond Construction 2005 – To account for proceeds to be used for the construction of City Hall, City Maintenance Yard, and other City infrastructure needs.

Bond Construction 2006 – To account for proceeds received for construction of an Aquatic Center.

Road Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged roads, equipment and capital improvements which substantially benefit those developments which pay the impact fees.

Trails Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged bikeways, capital improvements, trails, and equipment which substantially benefit those developments which pay the impact fees.

Parks Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged parks, equipment and capital improvements, which substantially benefit those developments which pay the impact fees.

Public Safety Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing public safety, capital improvements and equipment.

Drainage Impact Fees Fund – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing a conveyance system adequate to accommodate the design storm from the farthest upstream property or City boundary to the receiving waters of the Rio Grande river.

MAJOR GOVERNMENTAL FUND DESCRIPTIONS

MAJOR SPECIAL REVEUE FUNDS:

Public Safety Grants Fund – To account for the following state intergovernmental and federal grants: Operation DWI, Operation Buckle Down, Community DWI, Selective Traffic Enforcement Project (STEP), NM Gang Task Force (NMGTF) (Pursuant to Traffic Safety Act, NMSA 1978 Sections 66-7-501 to 511, as amended and the Anti-Drug Abuse Act 1998, PL 100-690, Title VI, Subtitle C.), and Enhanced 911 Grant (Pursuant to NMSA 1978 Section 63-9D-1).

MAJOR CAPITAL PROJECT FUNDS:

Infrastructure Fund – To account for capital (primarily infrastructure) acquisition, construction and repair from General Fund transfers and intergovernmental grants.

Bond Construction 2009 – To account for proceeds received for construction various road projects.

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Donations Fund</u>	<u>Aquatics Swim Team Fund</u>	<u>Recreation Activities Fund</u>	<u>Recreation Fund</u>
<u>ASSETS</u>				
Cash and investments	\$ 33,918		\$ 195,617	\$ 58,931
Accounts receivable				
Due from federal government				
Due from state government				16
Restricted investments				
Total assets	<u>\$ 33,918</u>	<u>\$</u>	<u>\$ 195,617</u>	<u>\$ 58,947</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,054		\$ 23,056	\$
Accrued payroll			2,214	
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>2,054</u>	<u></u>	<u>25,270</u>	<u></u>
Fund balances (deficits):				
Non-spendable				
Restricted			170,347	58,947
Committed	31,864			
Assigned				
Unassigned				
Total fund balances	<u>31,864</u>	<u></u>	<u>170,347</u>	<u>58,947</u>
Total liabilities and fund balances	<u>\$ 33,918</u>	<u>\$</u>	<u>\$ 195,617</u>	<u>\$ 58,947</u>

Keep Rio Rancho Beautiful Grant Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund	Promotion and Marketing Fund
\$	\$	\$ 627,603	\$ 20,201	\$ 676,369	\$ 41,769
31,434	4,681		6,510		
<u>\$ 31,434</u>	<u>\$ 4,681</u>	<u>\$ 627,603</u>	<u>\$ 26,711</u>	<u>\$ 676,369</u>	<u>\$ 41,769</u>
\$ 1,420 3,445	\$ 539	\$	\$ 2,757	\$ 23,278	\$ 25,916 1,929
31,434	4,681		6,312		
<u>36,299</u>	<u>5,220</u>		<u>9,069</u>	<u>23,278</u>	<u>27,845</u>
		627,603	17,642	653,091	13,924
(4,865)	(539)				
<u>(4,865)</u>	<u>(539)</u>	<u>627,603</u>	<u>17,642</u>	<u>653,091</u>	<u>13,924</u>
<u>\$ 31,434</u>	<u>\$ 4,681</u>	<u>\$ 627,603</u>	<u>\$ 26,711</u>	<u>\$ 676,369</u>	<u>\$ 41,769</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011
(Continued)

	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund	ARRA DOJ Fund	Local Government Corrections Fund
<u>ASSETS</u>				
Cash and investments	\$ 35,617	\$ 60,941		\$ 29,959
Accounts receivable		30,589		
Due from federal government				
Due from state government				
Restricted investments				
Total assets	<u>\$ 35,617</u>	<u>\$ 91,530</u>	<u>\$</u>	<u>\$ 29,959</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 3,788	\$ 932		\$ 21,239
Accrued payroll	5,751			
Accrued interest payable				
Due to other funds				
Deferred revenue				
Total liabilities	<u>9,539</u>	<u>932</u>	<u>\$</u>	<u>21,239</u>
Fund balances (deficits):				
Non-spendable				
Restricted	26,078			8,720
Committed		90,598		
Assigned				
Unassigned				
Total fund balances	<u>26,078</u>	<u>90,598</u>	<u>\$</u>	<u>8,720</u>
Total liabilities and fund balances	<u>\$ 35,617</u>	<u>\$ 91,530</u>	<u>\$</u>	<u>\$ 29,959</u>

Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund
\$ 8,439	\$ 31,278	\$ 37,221	\$	\$ 72,009	\$ 297
			178,832		
<u>\$ 8,439</u>	<u>\$ 31,278</u>	<u>\$ 37,221</u>	<u>\$ 178,832</u>	<u>\$ 72,009</u>	<u>\$ 297</u>
\$	\$ 187	\$ 59	\$ 9,114	\$ 28,381	\$ 247
505		750	3,762	9,930	
	25,972		145,872		
<u>505</u>	<u>26,159</u>	<u>809</u>	<u>158,748</u>	<u>38,311</u>	<u>247</u>
7,934	5,119	36,412	20,084	33,698	50
<u>7,934</u>	<u>5,119</u>	<u>36,412</u>	<u>20,084</u>	<u>33,698</u>	<u>50</u>
<u>\$ 8,439</u>	<u>\$ 31,278</u>	<u>\$ 37,221</u>	<u>\$ 178,832</u>	<u>\$ 72,009</u>	<u>\$ 297</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011
(Concluded)

	Summer Lunch Program Fund	ARRA EECBG Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund
<u>ASSETS</u>				
Cash and investments	\$ 93,925	\$	\$ 2,250,380	\$ 2,844,262
Accounts receivable				
Due from federal government		18,232		
Due from state government			117,210	379,745
Restricted investments			339,000	
Total assets	<u>\$ 93,925</u>	<u>\$ 18,232</u>	<u>\$ 2,706,590</u>	<u>\$ 3,224,007</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 48,963	\$ 18,232	\$ 184,948	\$
Accrued payroll	2,728		1,435	
Accrued interest payable			18,374	
Due to other funds				
Deferred revenue	42,234			
Total liabilities	<u>93,925</u>	<u>18,232</u>	<u>204,757</u>	
Fund balances (deficits):				
Non-spendable				
Restricted			2,501,833	3,224,007
Committed				
Assigned				
Unassigned				
Total fund balances	<u></u>	<u></u>	<u>2,501,833</u>	<u>3,224,007</u>
Total liabilities and fund balances	<u>\$ 93,925</u>	<u>\$ 18,232</u>	<u>\$ 2,706,590</u>	<u>\$ 3,224,007</u>

Municipal Road Fund	Recreation Development Fund	HUD - CDBG Fund	Crime Victims Assistance Fund	Totals
\$ 436,260	\$ 133,511	\$	\$	\$ 7,688,507
				30,589
		118,700	8,770	329,215
42,138				577,053
				339,000
<u>\$ 478,398</u>	<u>\$ 133,511</u>	<u>\$ 118,700</u>	<u>\$ 8,770</u>	<u>\$ 8,964,364</u>
\$ 76,326	\$ 4,574	\$ 9,797	\$	\$ 485,268
		578	1,149	24,280
				28,809
		108,325	7,621	297,933
				74,518
<u>76,326</u>	<u>4,574</u>	<u>118,700</u>	<u>8,770</u>	<u>910,808</u>
402,072	128,937			7,936,498
				122,462
				(5,404)
<u>402,072</u>	<u>128,937</u>			<u>8,053,556</u>
<u>\$ 478,398</u>	<u>\$ 133,511</u>	<u>\$ 118,700</u>	<u>\$ 8,770</u>	<u>\$ 8,964,364</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2011

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund	Gross Receipts Tax Refund Loan Fund
<u>ASSETS</u>				
Cash and investments	\$ 4,519,094		\$ 120,672	\$ 1,393
Property taxes receivable	487,715			
Due from state government			241,343	2,781
Total assets	<u>\$ 5,006,809</u>	<u>\$</u>	<u>\$ 362,015</u>	<u>\$ 4,174</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accrued interest payable	\$ 393,334		\$ 63,440	\$ 1,225
Deferred revenue	433,004			
Total liabilities	<u>826,338</u>		<u>63,440</u>	<u>1,225</u>
Fund balances:				
Non-spendable				
Restricted	4,180,471		298,575	2,949
Committed				
Assigned				
Unassigned				
Total fund balances	<u>4,180,471</u>		<u>298,575</u>	<u>2,949</u>
Total liabilities and fund balances	<u>\$ 5,006,809</u>	<u>\$</u>	<u>\$ 362,015</u>	<u>\$ 4,174</u>

<u>HP Loan Fund</u>	<u>HS Loan Fund</u>	<u>Totals</u>
\$ 36,099	\$ 51,432	\$ 4,728,690
		487,715
72,193		316,317
<u>\$ 108,292</u>	<u>\$ 51,432</u>	<u>\$ 5,532,722</u>

\$ 18,309	\$ 17,107	\$ 493,415
		433,004
<u>18,309</u>	<u>17,107</u>	<u>926,419</u>

89,983	34,325	4,606,303
<u>89,983</u>	<u>34,325</u>	<u>4,606,303</u>
<u>\$ 108,292</u>	<u>\$ 51,432</u>	<u>\$ 5,532,722</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund	ARRA Stimulus Roads Fund
<u>ASSETS</u>				
Cash and investments	\$ 63,978	\$ 280,952	\$ 510,694	\$
Due from federal government				129,946
Due from state government				
Due from other funds				
Total assets	<u>\$ 63,978</u>	<u>\$ 280,952</u>	<u>\$ 510,694</u>	<u>\$ 129,946</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$ 16,767	\$
Due to other funds				129,946
Deferred revenue				
Total liabilities			<u>16,767</u>	<u>129,946</u>
Fund balances (deficits):				
Non-spendable				
Restricted	63,978	280,952	493,927	
Committed				
Assigned				
Unassigned				
Total fund balances	<u>63,978</u>	<u>280,952</u>	<u>493,927</u>	
Total liabilities and fund balances	<u>\$ 63,978</u>	<u>\$ 280,952</u>	<u>\$ 510,694</u>	<u>\$ 129,946</u>

State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund	Road Impact Fees Fund	Trail Impact Fees Fund
\$	\$ 12,476		\$ 72,480	\$ 2,899,846	\$ 153,528
23,386				253,332	
<u>\$ 23,386</u>	<u>\$ 12,476</u>	<u>\$</u>	<u>\$ 72,480</u>	<u>\$ 3,153,178</u>	<u>\$ 153,528</u>
\$ 10,933	\$ 1,462		\$ 65,911	\$ 247,871	\$
123,386					
21,277					
<u>155,596</u>	<u>1,462</u>	<u></u>	<u>65,911</u>	<u>247,871</u>	<u></u>
	11,014		6,569	2,905,307	153,528
(132,210)					
<u>(132,210)</u>	<u>11,014</u>	<u></u>	<u>6,569</u>	<u>2,905,307</u>	<u>153,528</u>
<u>\$ 23,386</u>	<u>\$ 12,476</u>	<u>\$</u>	<u>\$ 72,480</u>	<u>\$ 3,153,178</u>	<u>\$ 153,528</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011
(Concluded)

	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Totals
<u>ASSETS</u>				
Cash and investments	\$ 602,392	\$ 593,628	\$ 899,358	\$ 6,089,332
Due from federal government				129,946
Due from state government				23,386
Due from other funds				253,332
Total assets	<u>\$ 602,392</u>	<u>\$ 593,628</u>	<u>\$ 899,358</u>	<u>\$ 6,495,996</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$ 4,217	\$ 30,672	\$ 377,833
Due to other funds				253,332
Deferred revenue				21,277
Total liabilities		<u>4,217</u>	<u>30,672</u>	<u>652,442</u>
Fund balances (deficits):				
Non-spendable				
Restricted	602,392	589,411	868,686	5,975,764
Committed				
Assigned				
Unassigned				(132,210)
Total fund balances	<u>602,392</u>	<u>589,411</u>	<u>868,686</u>	<u>5,843,554</u>
Total liabilities and fund balances	<u>\$ 602,392</u>	<u>\$ 593,628</u>	<u>\$ 899,358</u>	<u>\$ 6,495,996</u>

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Donations Fund</u>	<u>Aquatics Swim Team Fund</u>	<u>Recreation Activities Fund</u>
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Charges for services	32,642		258,538
Fines and forfeits	700		
Franchise fees			
Contributions and donations	4,040		
Investment income	1		4
Other revenues			
Total revenues	<u>37,383</u>	<u></u>	<u>258,542</u>
Expenditures:			
Current -			
General government			
Public safety	36,108		
Public works			
Culture and recreation	2,504	366	198,173
Economic development			
Capital outlay			43,584
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>38,612</u>	<u>366</u>	<u>241,757</u>
Excess (deficiency) of revenues over expenditures	<u>(1,229)</u>	<u>(366)</u>	<u>16,785</u>
Other financing sources (uses):			
Issuance of debt			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Change in fund balances	<u>(1,229)</u>	<u>(366)</u>	<u>16,785</u>
Fund balances (deficits), beginning of year	33,093	366	153,562
Fund balances (deficits), end of year	<u>\$ 31,864</u>	<u>\$</u>	<u>\$ 170,347</u>

<u>Recreation Fund</u>	<u>Keep Rio Rancho Beautiful Grant Fund</u>	<u>Community Response Program Fund</u>	<u>Workers Compensation Fund</u>	<u>Senior Services Fund</u>	<u>Library Fund</u>
\$ 1,710	\$	\$ 16,689	\$	\$	\$
	63,702			150,257 14,032	11,530
				1,929	18,364
1			16		43
			541,175		
<u>1,711</u>	<u>63,702</u>	<u>16,689</u>	<u>541,191</u>	<u>166,218</u>	<u>29,937</u>
			315,623		
		16,290			
	68,556			65,730	427,746
				106,364	
	<u>68,556</u>	<u>16,290</u>	<u>315,623</u>	<u>172,094</u>	<u>427,746</u>
<u>1,711</u>	<u>(4,854)</u>	<u>399</u>	<u>225,568</u>	<u>(5,876)</u>	<u>(397,809)</u>
					(122,465)
					(122,465)
<u>1,711</u>	<u>(4,854)</u>	<u>399</u>	<u>225,568</u>	<u>(5,876)</u>	<u>(520,274)</u>
57,236	(11)	(938)	402,035	23,518	1,173,365
<u>\$ 58,947</u>	<u>\$ (4,865)</u>	<u>\$ (539)</u>	<u>\$ 627,603</u>	<u>\$ 17,642</u>	<u>\$ 653,091</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011
(Continued)

	Promotion and Marketing Fund	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund
Revenues:			
Municipal and state shared taxes	\$	\$ 368,986	\$
Intergovernmental federal			
Intergovernmental state	4,200	5,177	
Charges for services	13,753		
Fines and forfeits			
Franchise fees			126,046
Contributions and donations			
Investment income		1	3
Other revenues			
Total revenues	<u>17,953</u>	<u>374,164</u>	<u>126,049</u>
Expenditures:			
Current -			
General government			
Public safety			
Public works			
Culture and recreation			146,662
Economic development	169,933	383,972	
Capital outlay	4,350	1,125	
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>174,283</u>	<u>385,097</u>	<u>146,662</u>
Excess (deficiency) of revenues over expenditures	<u>(156,330)</u>	<u>(10,933)</u>	<u>(20,613)</u>
Other financing sources (uses):			
Issuance of debt			
Transfers in	166,393	34,016	
Transfers out			
Total other financing sources (uses)	<u>166,393</u>	<u>34,016</u>	
Change in fund balances	<u>10,063</u>	<u>23,083</u>	<u>(20,613)</u>
Fund balances (deficits), beginning of year	3,861	2,995	111,211
Fund balances (deficits), end of year	<u>\$ 13,924</u>	<u>\$ 26,078</u>	<u>\$ 90,598</u>

ARRA DOJ Fund	Local Government Corrections Fund	Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund
\$	\$	\$	\$	\$	\$
		101,400	67,975		669,346
	164,559			65,970	
			1,500		
	1	11	2	2	
			3,846		30,777
	164,560	101,411	73,323	65,972	700,123
	249,910	58,540	67,837	50,153	696,669
11		269,327		24,032	19,179
		53,039			
		3,175			
11	249,910	384,081	67,837	74,185	715,848
(11)	(85,350)	(282,670)	5,486	(8,213)	(15,725)
		269,990			
	76,200				
	76,200	269,990			
(11)	(9,150)	(12,680)	5,486	(8,213)	(15,725)
11	17,870	20,614	(367)	44,625	35,809
\$	\$ 8,720	\$ 7,934	\$ 5,119	\$ 36,412	\$ 20,084

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011
(Continued)

	Fire Protection Fund	Emergency Medical Services Fund	Summer Lunch Program Fund
Revenues:			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			152,050
Intergovernmental state	582,778	11,987	
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			
Investment income	22		
Other revenues			
Total revenues	<u>582,800</u>	<u>11,987</u>	<u>152,050</u>
Expenditures:			
Current -			
General government			
Public safety	389,857	15,802	
Public works			
Culture and recreation			112,764
Economic development			
Capital outlay	512,231		
Debt service -			
Principal	125,334		
Interest and fiscal charges	65,184		
Total expenditures	<u>1,092,606</u>	<u>15,802</u>	<u>112,764</u>
Excess (deficiency) of revenues over expenditures	<u>(509,806)</u>	<u>(3,815)</u>	<u>39,286</u>
Other financing sources (uses):			
Issuance of debt			
Transfers in	38,125		
Transfers out			
Total other financing sources (uses)	<u>38,125</u>		
Change in fund balances	<u>(471,681)</u>	<u>(3,815)</u>	<u>39,286</u>
Fund balances (deficits), beginning of year	505,379	3,865	(39,286)
Fund balances (deficits), end of year	<u>\$ 33,698</u>	<u>\$ 50</u>	<u>\$</u>

ARRA EECBG Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund	HUD - CDBG Fund
\$ 293,661	\$ 667,460	\$ 2,165,317	\$ 544,108	\$ 5,518	\$ 329,428
			26,126		
	794	736	16	8	
			19,256		
293,661	668,254	2,166,053	589,506	5,526	329,428
175,904		3,137,924			
	3,522,634		410,926		334,911
	1,435				
112,239	156,830		193,013	80,634	
	226,382		69,000		
	99,744		1,672		
288,143	4,007,025	3,137,924	674,611	80,634	334,911
5,518	(3,338,771)	(971,871)	(85,105)	(75,108)	(5,483)
	3,942,260				
		(15,000)		(121,605)	
	3,942,260	(15,000)		(121,605)	
5,518	603,489	(986,871)	(85,105)	(196,713)	(5,483)
(5,518)	1,898,344	4,210,878	487,177	325,650	5,483
\$	\$ 2,501,833	\$ 3,224,007	\$ 402,072	\$ 128,937	\$

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011
(Concluded)

	Crime Victims Assistance Fund	Totals
Revenues:		
Municipal and state shared taxes	\$	\$ 3,747,581
Intergovernmental federal	40,877	1,570,026
Intergovernmental state		936,549
Charges for services		509,650
Fines and forfeits		66,670
Franchise fees		126,046
Contributions and donations		25,833
Investment income		1,661
Other revenues		595,054
Total revenues	<u>40,877</u>	<u>7,579,070</u>
Expenditures:		
Current -		
General government		3,629,451
Public safety	42,638	1,623,804
Public works		4,268,471
Culture and recreation		1,023,936
Economic development		553,905
Capital outlay		1,522,919
Debt service -		
Principal		473,755
Interest and fiscal charges		169,775
Total expenditures	<u>42,638</u>	<u>13,266,016</u>
Excess (deficiency) of revenues over expenditures	<u>(1,761)</u>	<u>(5,686,946)</u>
Other financing sources (uses):		
Issuance of debt		4,212,250
Transfers in	4,164	318,898
Transfers out		(259,070)
Total other financing sources (uses)	<u>4,164</u>	<u>4,272,078</u>
Change in fund balances	<u>2,403</u>	<u>(1,414,868)</u>
Fund balances (deficits), beginning of year	(2,403)	9,468,424
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 8,053,556</u>

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2003 Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund
Revenues:			
Property taxes	\$ 4,451,273	\$	\$
Municipal and state shared taxes			1,253,483
Investment income	358		117
Other revenues	23,830		
Total revenues	<u>4,475,461</u>		<u>1,253,600</u>
Expenditures:			
Current -			
Other expenses		43,874	
Debt service -			
Principal	3,300,000	915,000	245,000
Interest and fiscal charges	1,034,671	1,649	807,494
Total expenditures	<u>4,334,671</u>	<u>960,523</u>	<u>1,052,494</u>
Excess (deficiency) of revenues over expenditures	<u>140,790</u>	<u>(960,523)</u>	<u>201,106</u>
Other financing sources (uses):			
Issuance of debt		967,515	
Transfers in			
Transfers out		(4,685)	
Total other financing sources (uses)		<u>962,830</u>	
Change in fund balances	<u>140,790</u>	<u>2,307</u>	<u>201,106</u>
Fund balances (deficits), beginning of year	4,039,681	(2,307)	97,469
Fund balances, end of year	<u><u>\$ 4,180,471</u></u>	<u><u>\$</u></u>	<u><u>\$ 298,575</u></u>

Gross Receipts Tax Refund Loan Fund	HP Loan Fund	HS Loan Fund	Totals
\$	\$	\$	\$
12,981	465,159	2,079	4,451,273
	2	2	1,733,702
			479
			23,830
12,981	465,161	2,081	6,209,284
			43,874
	180,000		4,640,000
14,717	237,066	215,311	2,310,908
14,717	417,066	215,311	6,994,782
(1,736)	48,095	(213,230)	(785,498)
			967,515
4,685		232,321	237,006
			(4,685)
4,685		232,321	1,199,836
2,949	48,095	19,091	414,338
	41,888	15,234	4,191,965
\$ 2,949	\$ 89,983	\$ 34,325	\$ 4,606,303

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund
Revenues:			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Impact fees			
Contributions and donations	15,000		
Investment income	2		566
Other revenues			
Total revenues	<u>15,002</u>		<u>566</u>
Expenditures:			
Current -			
General government			32,079
Public works	78,682		
Culture and recreation			
Capital outlay			154,557
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>78,682</u>		<u>186,636</u>
Excess (deficiency) of revenues over expenditures	<u>(63,680)</u>		<u>(186,070)</u>
Other financing sources (uses):			
Transfers in	15,000		
Transfers out			(232,321)
Total other financing sources (uses)	<u>15,000</u>		<u>(232,321)</u>
Change in fund balances	<u>(48,680)</u>		<u>(418,391)</u>
Fund balances (deficits), beginning of year	112,658	280,952	912,318
Fund balances (deficits), end of year	<u>\$ 63,978</u>	<u>\$ 280,952</u>	<u>\$ 493,927</u>

ARRA Stimulus Roads Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2005 Fund	Bond Construction 2006 Aquatics Fund	Road Impact Fees Fund
\$ 4,110,970	\$ 206,555	\$	\$	\$	\$
					693,910
					494
					177,319
<u>4,110,970</u>	<u>206,555</u>				<u>871,723</u>
	33,021		148,240		
				79,780	
2,976,900	221,202	1,462		10,019	411,075
					171,300
					4,862
<u>2,976,900</u>	<u>254,223</u>	<u>1,462</u>	<u>148,240</u>	<u>89,799</u>	<u>587,237</u>
<u>1,134,070</u>	<u>(47,668)</u>	<u>(1,462)</u>	<u>(148,240)</u>	<u>(89,799)</u>	<u>284,486</u>
			116,638		
	(1,579)				(19,676)
	(1,579)		116,638		(19,676)
<u>1,134,070</u>	<u>(49,247)</u>	<u>(1,462)</u>	<u>(31,602)</u>	<u>(89,799)</u>	<u>264,810</u>
(1,134,070)	(82,963)	12,476	31,602	96,368	2,640,497
<u>\$</u>	<u>\$ (132,210)</u>	<u>\$ 11,014</u>	<u>\$</u>	<u>\$ 6,569</u>	<u>\$ 2,905,307</u>

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011
(Concluded)

	Trail Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund
Revenues:			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Impact fees	16,354	57,562	413,652
Contributions and donations			
Investment income	4	20	21
Other revenues			
Total revenues	<u>16,358</u>	<u>57,582</u>	<u>413,673</u>
Expenditures:			
Current -			
General government			
Public works			
Culture and recreation			
Capital outlay	5,310	101,208	429,464
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	<u>5,310</u>	<u>101,208</u>	<u>429,464</u>
Excess (deficiency) of revenues over expenditures	<u>11,048</u>	<u>(43,626)</u>	<u>(15,791)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(512)	(2,951)	(14,951)
Total other financing sources (uses)	<u>(512)</u>	<u>(2,951)</u>	<u>(14,951)</u>
Change in fund balances	<u>10,536</u>	<u>(46,577)</u>	<u>(30,742)</u>
Fund balances (deficits), beginning of year	142,992	648,969	620,153
Fund balances (deficits), end of year	<u>\$ 153,528</u>	<u>\$ 602,392</u>	<u>\$ 589,411</u>

Drainage Impact Fees Fund	Totals
\$	\$ 4,110,970
	206,555
80,643	1,262,121
	15,000
137	1,244
	177,319
<u>80,780</u>	<u>5,773,209</u>
	213,340
	78,682
	79,780
30,551	4,341,748
	171,300
	4,862
<u>30,551</u>	<u>4,889,712</u>
<u>50,229</u>	<u>883,497</u>
	131,638
<u>(2,127)</u>	<u>(274,117)</u>
<u>(2,127)</u>	<u>(142,479)</u>
<u>48,102</u>	<u>741,018</u>
820,584	5,102,536
<u>\$ 868,686</u>	<u>\$ 5,843,554</u>

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**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DONATIONS FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 40,000	\$ 40,000	\$ 32,642	\$ (7,358)
Fines and forfeits	800	800	700	(100)
Contributions and donations	4,000	5,550	4,040	(1,510)
Investment income	100	100	1	(99)
Total revenues	<u>44,900</u>	<u>46,450</u>	<u>37,383</u>	<u>(9,067)</u>
Expenditures:				
Current -				
Public safety	71,774	65,487	36,108	29,379
Culture and recreation	3,073	4,623	2,504	2,119
Total expenditures	<u>74,847</u>	<u>70,110</u>	<u>38,612</u>	<u>31,498</u>
Change in fund balances	<u>(29,947)</u>	<u>(23,660)</u>	<u>(1,229)</u>	<u>22,431</u>
Fund balances, July 1, 2010	33,950	36,493	33,093	(3,400)
Fund balances, June 30, 2011	<u>\$ 4,003</u>	<u>\$ 12,833</u>	<u>\$ 31,864</u>	<u>\$ 19,031</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - AQUATICS SWIM TEAM FUND
YEAR ENDED JUNE 30, 2011

		Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
Culture and recreation	366	366	366	
Total expenditures	366	366	366	
Excess (deficiency) of revenues over expenditures	(366)	(366)	(366)	
Fund balances, July 1, 2010	366	366	366	
Fund balances, June 30, 2011	\$	\$	\$	\$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION ACTIVITIES FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 528,876	\$ 537,426	\$ 258,538	\$ (278,888)
Investment income			4	4
Total revenues	<u>528,876</u>	<u>537,426</u>	<u>258,542</u>	<u>(278,884)</u>
Expenditures:				
Current -				
Culture and recreation	564,224	595,864	198,173	397,691
Capital outlay		80,000	43,584	36,416
Total expenditures	<u>564,224</u>	<u>675,864</u>	<u>241,757</u>	<u>434,107</u>
Change in fund balances	<u>(35,348)</u>	<u>(138,438)</u>	<u>16,785</u>	<u>155,223</u>
Fund balances, July 1, 2010	103,172	168,796	153,562	(15,234)
Fund balances, June 30, 2011	<u>\$ 67,824</u>	<u>\$ 30,358</u>	<u>\$ 170,347</u>	<u>\$ 139,989</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$	\$ 3,526	\$ 1,710	\$ (1,816)
Investment income		2	1	(1)
Total revenues		<u>3,528</u>	<u>1,711</u>	<u>(1,817)</u>
Expenditures:				
Capital outlay	8,000	58,929		58,929
Total expenditures	<u>8,000</u>	<u>58,929</u>		<u>58,929</u>
Change in fund balances	<u>(8,000)</u>	<u>(55,401)</u>	<u>1,711</u>	<u>57,112</u>
Fund balances, July 1, 2010	8,401	55,401	57,236	1,835
Fund balances, June 30, 2011	<u>\$ 401</u>	<u>\$</u>	<u>\$ 58,947</u>	<u>\$ 58,947</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - KEEP RIO RANCHO BEAUTIFUL GRANT FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 68,000	\$ 90,414	\$ 63,702	\$ (26,712)
Total revenues	<u>68,000</u>	<u>90,414</u>	<u>63,702</u>	<u>(26,712)</u>
Expenditures:				
Current -				
Culture and recreation	68,000	69,789	68,556	1,233
Total expenditures	<u>68,000</u>	<u>69,789</u>	<u>68,556</u>	<u>1,233</u>
Change in fund balances		<u>20,625</u>	<u>(4,854)</u>	<u>(25,479)</u>
Fund balances (deficits), July 1, 2010		(20,625)	(11)	20,614
Fund balances (deficits), June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ (4,865)</u>	<u>\$ (4,865)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMMUNITY RESPONSE PROGRAM FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Intergovernmental federal	\$	\$ 50,728	\$ 16,689
Total revenues		50,728	16,689
Expenditures:			
Current -			
Public safety		48,046	16,290
Total expenditures		48,046	16,290
Change in fund balances		2,682	399
Fund balances (deficits), July 1, 2010		(2,682)	(938)
Fund balances (deficits), June 30, 2011	\$	\$	(539)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WORKERS COMPENSATION FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 150	\$ 150	\$ 16	\$ (134)
Other revenues	534,077	534,077	541,175	7,098
Total revenues	<u>534,227</u>	<u>534,227</u>	<u>541,191</u>	<u>6,964</u>
Expenditures:				
Current -				
General government	761,090	761,090	315,623	445,467
Total expenditures	<u>761,090</u>	<u>761,090</u>	<u>315,623</u>	<u>445,467</u>
Change in fund balances	<u>(226,863)</u>	<u>(226,863)</u>	<u>225,568</u>	<u>452,431</u>
Fund balances, July 1, 2010	475,432	475,432	402,035	(73,397)
Fund balances, June 30, 2011	<u>\$ 248,569</u>	<u>\$ 248,569</u>	<u>\$ 627,603</u>	<u>\$ 379,034</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SENIOR SERVICES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental state	\$	\$ 163,549	\$ 150,257	\$ (13,292)
Charges for services	32,835	33,624	14,032	(19,592)
Contributions and donations	3,000	3,000	1,929	(1,071)
Other revenues	100	100		(100)
Total revenues	<u>35,935</u>	<u>200,273</u>	<u>166,218</u>	<u>(34,055)</u>
Expenditures:				
Current -				
Culture and recreation	45,185	100,006	65,730	34,276
Capital outlay		106,380	106,364	16
Total expenditures	<u>45,185</u>	<u>206,386</u>	<u>172,094</u>	<u>34,292</u>
Change in fund balances	<u>(9,250)</u>	<u>(6,113)</u>	<u>(5,876)</u>	<u>237</u>
Fund balances, July 1, 2010	26,489	22,341	23,518	1,177
Fund balances, June 30, 2011	<u>\$ 17,239</u>	<u>\$ 16,228</u>	<u>\$ 17,642</u>	<u>\$ 1,414</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 8,000	\$ 8,000	\$ 11,530	\$ 3,530
Contributions and donations	20,000	23,000	18,364	(4,636)
Investment income	5,000	5,000	43	(4,957)
Total revenues	<u>33,000</u>	<u>36,000</u>	<u>29,937</u>	<u>(6,063)</u>
Expenditures:				
Current -				
Culture and recreation	502,515	706,672	427,746	278,926
Capital outlay		400,000		400,000
Total expenditures	<u>502,515</u>	<u>1,106,672</u>	<u>427,746</u>	<u>678,926</u>
Excess (deficiency) of revenues over expenditures	<u>(469,515)</u>	<u>(1,070,672)</u>	<u>(397,809)</u>	<u>672,863</u>
Other financing sources (uses):				
Transfers out		(122,465)	(122,465)	
Total other financing sources (uses)		<u>(122,465)</u>	<u>(122,465)</u>	
Change in fund balances	<u>(469,515)</u>	<u>(1,193,137)</u>	<u>(520,274)</u>	<u>672,863</u>
Fund balances, July 1, 2010	1,152,624	1,193,137	1,173,365	(19,772)
Fund balances, June 30, 2011	<u>\$ 683,109</u>	<u>\$</u>	<u>\$ 653,091</u>	<u>\$ 653,091</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PROMOTION AND MARKETING FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$	\$ 5,775	\$ 4,200	\$ (1,575)
Charges for services		16,250	13,753	(2,497)
Total revenues		<u>22,025</u>	<u>17,953</u>	<u>(4,072)</u>
Expenditures:				
Current -				
Economic development	98,377	196,138	169,933	26,205
Capital outlay		4,500	4,350	150
Total expenditures	<u>98,377</u>	<u>200,638</u>	<u>174,283</u>	<u>26,355</u>
Excess (deficiency) of revenues over expenditures	<u>(98,377)</u>	<u>(178,613)</u>	<u>(156,330)</u>	<u>22,283</u>
Other financing sources (uses):				
Transfers in	86,780	166,393	166,393	
Total other financing sources (uses)	<u>86,780</u>	<u>166,393</u>	<u>166,393</u>	
Change in fund balances	<u>(11,597)</u>	<u>(12,220)</u>	<u>10,063</u>	<u>22,283</u>
Fund balances, July 1, 2010	11,597	12,227	3,861	(8,366)
Fund balances, June 30, 2011	<u>\$</u>	<u>\$ 7</u>	<u>\$ 13,924</u>	<u>\$ 13,917</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO RANCHO CONVENTION & VISITORS BUREAU FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 354,964	\$ 354,964	\$ 368,986	\$ 14,022
Intergovernmental state	10,723	10,723	5,177	(5,546)
Investment income	5	5	1	(4)
Total revenues	<u>365,692</u>	<u>365,692</u>	<u>374,164</u>	<u>8,472</u>
Expenditures:				
Current -				
Economic development	400,099	401,402	383,972	17,430
Capital outlay		1,200	1,125	75
Total expenditures	<u>400,099</u>	<u>402,602</u>	<u>385,097</u>	<u>17,505</u>
Excess (deficiency) of revenues over expenditures	<u>(34,407)</u>	<u>(36,910)</u>	<u>(10,933)</u>	<u>25,977</u>
Other financing sources (uses):				
Transfers in	34,016	34,016	34,016	
Total other financing sources (uses)	<u>34,016</u>	<u>34,016</u>	<u>34,016</u>	
Change in fund balances	<u>(391)</u>	<u>(2,894)</u>	<u>23,083</u>	<u>25,977</u>
Fund balances, July 1, 2010	1,893	4,396	2,995	(1,401)
Fund balances, June 30, 2011	<u>\$ 1,502</u>	<u>\$ 1,502</u>	<u>\$ 26,078</u>	<u>\$ 24,576</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO VISION CABLE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Franchise fees	\$ 144,687	\$ 144,687	\$ 126,046	\$ (18,641)
Investment income	200	200	3	(197)
Total revenues	<u>144,887</u>	<u>144,887</u>	<u>126,049</u>	<u>(18,838)</u>
Expenditures:				
Current -				
Culture and recreation	185,915	195,609	146,662	48,947
Total expenditures	<u>185,915</u>	<u>195,609</u>	<u>146,662</u>	<u>48,947</u>
Change in fund balances	<u>(41,028)</u>	<u>(50,722)</u>	<u>(20,613)</u>	<u>30,109</u>
Fund balances, July 1, 2010	54,029	91,794	111,211	19,417
Fund balances, June 30, 2011	<u>\$ 13,001</u>	<u>\$ 41,072</u>	<u>\$ 90,598</u>	<u>\$ 49,526</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA DOJ FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
Public safety	11			
Capital outlay		11	11	
Total expenditures	<u>11</u>	<u>11</u>	<u>11</u>	
Excess (deficiency) of revenues over expenditures	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	
Fund balances, July 1, 2010	11	11	11	
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LOCAL GOVERNMENT CORRECTIONS FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 164,559	\$ (35,441)
Investment income	100	100	1	(99)
Total revenues	<u>200,100</u>	<u>200,100</u>	<u>164,560</u>	<u>(35,540)</u>
Expenditures:				
Current -				
Public safety	276,498	295,826	249,910	45,916
Total expenditures	<u>276,498</u>	<u>295,826</u>	<u>249,910</u>	<u>45,916</u>
Excess (deficiency) of revenues over expenditures	<u>(76,398)</u>	<u>(95,726)</u>	<u>(85,350)</u>	<u>10,376</u>
Other financing sources (uses):				
Transfers in	76,200	76,200	76,200	
Total other financing sources (uses)	<u>76,200</u>	<u>76,200</u>	<u>76,200</u>	
Change in fund balances	<u>(198)</u>	<u>(19,526)</u>	<u>(9,150)</u>	<u>10,376</u>
Fund balances, July 1, 2010	198	37,198	17,870	(19,328)
Fund balances, June 30, 2011	<u>\$</u>	<u>\$ 17,672</u>	<u>\$ 8,720</u>	<u>\$ (8,952)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 103,200	\$ 101,400	\$ 101,400	\$
Investment income	100	50	11	(39)
Total revenues	<u>103,300</u>	<u>101,450</u>	<u>101,411</u>	<u>(39)</u>
Expenditures:				
Current -				
Public safety	53,200	66,106	58,540	7,566
Capital outlay		269,327	269,327	
Debt service -				
Principal	53,039	53,039	53,039	
Interest and fiscal charges	2,670	3,176	3,175	1
Total expenditures	<u>108,909</u>	<u>391,648</u>	<u>384,081</u>	<u>7,567</u>
Excess (deficiency) of revenues over expenditures	<u>(5,609)</u>	<u>(290,198)</u>	<u>(282,670)</u>	<u>7,528</u>
Other financing sources (uses):				
Issuance of debt		269,990	269,990	
Total other financing sources (uses)		<u>269,990</u>	<u>269,990</u>	
Change in fund balances	<u>(5,609)</u>	<u>(20,208)</u>	<u>(12,680)</u>	<u>7,528</u>
Fund balances, July 1, 2010	19,916	20,863	20,614	(249)
Fund balances, June 30, 2011	<u>\$ 14,307</u>	<u>\$ 655</u>	<u>\$ 7,934</u>	<u>\$ 7,279</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental federal	\$ 20,000	\$ 20,000	\$ 67,975	\$ 47,975
Contributions and donations		1,500	1,500	
Investment income	100	100	2	(98)
Other revenues	1,500	5,400	3,846	(1,554)
Total revenues	<u>21,600</u>	<u>27,000</u>	<u>73,323</u>	<u>46,323</u>
Expenditures:				
Current -				
Public safety	63,580	74,307	67,837	6,470
Total expenditures	<u>63,580</u>	<u>74,307</u>	<u>67,837</u>	<u>6,470</u>
Change in fund balances	<u>(41,980)</u>	<u>(47,307)</u>	<u>5,486</u>	<u>52,793</u>
Fund balances (deficits), July 1, 2010	63,911	73,138	(367)	(73,505)
Fund balances, June 30, 2011	<u>\$ 21,931</u>	<u>\$ 25,831</u>	<u>\$ 5,119</u>	<u>\$ (20,712)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAFFIC EDUCATION AND ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeits	\$ 85,000	\$ 85,000	\$ 65,970	\$ (19,030)
Investment income	100	100	2	(98)
Total revenues	<u>85,100</u>	<u>85,100</u>	<u>65,972</u>	<u>(19,128)</u>
Expenditures:				
Current -				
Public safety	98,174	98,176	50,153	48,023
Capital outlay	24,032	24,032	24,032	
Total expenditures	<u>122,206</u>	<u>122,208</u>	<u>74,185</u>	<u>48,023</u>
Change in fund balances	<u>(37,106)</u>	<u>(37,108)</u>	<u>(8,213)</u>	<u>28,895</u>
Fund balances, July 1, 2010	41,568	45,068	44,625	(443)
Fund balances, June 30, 2011	<u>\$ 4,462</u>	<u>\$ 7,960</u>	<u>\$ 36,412</u>	<u>\$ 28,452</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NM GANG TASK FORCE GRANT FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental federal	\$	\$ 841,257	\$ 669,346	\$ (171,911)
Other revenues		3,500	30,777	27,277
Total revenues		<u>844,757</u>	<u>700,123</u>	<u>(144,634)</u>
Expenditures:				
Current -				
Public safety	24,878	853,465	696,669	156,796
Capital outlay	20,000	19,179	19,179	
Total expenditures	<u>44,878</u>	<u>872,644</u>	<u>715,848</u>	<u>156,796</u>
Change in fund balances	<u>(44,878)</u>	<u>(27,887)</u>	<u>(15,725)</u>	<u>12,162</u>
Fund balances, July 1, 2010	44,878	27,887	35,809	7,922
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 20,084</u>	<u>\$ 20,084</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 597,878	\$ 582,778	\$ 582,778	\$
Investment income	400	50	22	(28)
Total revenues	<u>598,278</u>	<u>582,828</u>	<u>582,800</u>	<u>(28)</u>
Expenditures:				
Current -				
Public safety	316,768	422,079	389,857	32,222
Capital outlay	30,000	517,589	512,231	5,358
Debt service -				
Principal	125,334	125,334	125,334	
Interest and fiscal charges	72,253	72,253	65,184	7,069
Total expenditures	<u>544,355</u>	<u>1,137,255</u>	<u>1,092,606</u>	<u>44,649</u>
Excess (deficiency) of revenues over expenditures	<u>53,923</u>	<u>(554,427)</u>	<u>(509,806)</u>	<u>44,621</u>
Other financing sources (uses):				
Transfers in		38,125	38,125	
Total other financing sources (uses)		<u>38,125</u>	<u>38,125</u>	
Change in fund balances	<u>53,923</u>	<u>(516,302)</u>	<u>(471,681)</u>	<u>44,621</u>
Fund balances, July 1, 2010	10,964	516,302	505,379	(10,923)
Fund balances, June 30, 2011	<u>\$ 64,887</u>	<u>\$</u>	<u>\$ 33,698</u>	<u>\$ 33,698</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental state	\$ 12,691	\$ 11,987	\$ 11,987	\$
Total revenues	<u>12,691</u>	<u>11,987</u>	<u>11,987</u>	
Expenditures:				
Current -				
Public safety	16,245	15,852	15,802	50
Total expenditures	<u>16,245</u>	<u>15,852</u>	<u>15,802</u>	<u>50</u>
Change in fund balances	<u>(3,554)</u>	<u>(3,865)</u>	<u>(3,815)</u>	<u>50</u>
Fund balances, July 1, 2010	3,554	3,865	3,865	
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 50</u>	<u>\$ 50</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUMMER LUNCH PROGRAM FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Intergovernmental federal	\$	\$ 79,880	\$ 152,050
Total revenues		<u>79,880</u>	<u>152,050</u>
Expenditures:			
Current -			
Culture and recreation	36,655	138,949	112,764
Total expenditures	<u>36,655</u>	<u>138,949</u>	<u>112,764</u>
Change in fund balances	<u>(36,655)</u>	<u>(59,069)</u>	<u>39,286</u>
Fund balances (deficits), July 1, 2010	36,655	59,069	(39,286)
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA EECBG FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Intergovernmental federal	\$	\$ 332,314	\$ 293,661
Total revenues		332,314	293,661
Expenditures:			
Current -			
General government		246,160	175,904
Capital outlay		112,689	112,239
Total expenditures		358,849	288,143
Change in fund balances		(26,535)	5,518
Fund balances (deficits), July 1, 2010		26,535	(5,518)
Fund balances, June 30, 2011	\$	\$	\$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 650,000	\$ 650,000	\$ 667,460	\$ 17,460
Contributions and donations	17,364	17,364		(17,364)
Investment income	2,000	2,000	794	(1,206)
Total revenues	<u>669,364</u>	<u>669,364</u>	<u>668,254</u>	<u>(1,110)</u>
Expenditures:				
Current -				
Public works	201,192	3,627,786	3,522,634	105,152
Culture and recreation			1,435	(1,435)
Capital outlay	342,902	2,084,522	156,830	1,927,692
Debt service -				
Principal	205,000	226,382	226,382	
Interest and fiscal charges	108,356	99,899	99,744	155
Total expenditures	<u>857,450</u>	<u>6,038,589</u>	<u>4,007,025</u>	<u>2,031,564</u>
Excess (deficiency) of revenues over expenditures	<u>(188,086)</u>	<u>(5,369,225)</u>	<u>(3,338,771)</u>	<u>2,030,454</u>
Other financing sources (uses):				
Issuance of debt		3,942,260	3,942,260	
Total other financing sources (uses)		<u>3,942,260</u>	<u>3,942,260</u>	
Change in fund balances	<u>(188,086)</u>	<u>(1,426,965)</u>	<u>603,489</u>	<u>2,030,454</u>
Fund balances, July 1, 2010	214,359	1,798,312	1,898,344	100,032
Fund balances, June 30, 2011	<u>\$ 26,273</u>	<u>\$ 371,347</u>	<u>\$ 2,501,833</u>	<u>\$ 2,130,486</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHER EDUCATION GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 2,175,000	\$ 2,175,000	\$ 2,165,317	\$ (9,683)
Investment income	2,500	2,500	736	(1,764)
Total revenues	<u>2,177,500</u>	<u>2,177,500</u>	<u>2,166,053</u>	<u>(11,447)</u>
Expenditures:				
Current -				
General government	5,477,500	5,477,500	3,137,924	2,339,576
Total expenditures	<u>5,477,500</u>	<u>5,477,500</u>	<u>3,137,924</u>	<u>2,339,576</u>
Excess (deficiency) of revenues over expenditures	<u>(3,300,000)</u>	<u>(3,300,000)</u>	<u>(971,871)</u>	<u>2,328,129</u>
Other financing sources (uses):				
Transfers out		(15,000)	(15,000)	
Total other financing sources (uses)		<u>(15,000)</u>	<u>(15,000)</u>	
Change in fund balances	<u>(3,300,000)</u>	<u>(3,315,000)</u>	<u>(986,871)</u>	<u>2,328,129</u>
Fund balances, July 1, 2010	3,826,504	3,826,504	4,210,878	384,374
Fund balances, June 30, 2011	<u>\$ 526,504</u>	<u>\$ 511,504</u>	<u>\$ 3,224,007</u>	<u>\$ 2,712,503</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - MUNICIPAL ROAD FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	\$ 672,400	\$ 622,400	\$ 544,108	\$ (78,292)
Charges for services	130,000	30,000	26,126	(3,874)
Investment income	700	50	16	(34)
Other revenues	45,000	45,000	19,256	(25,744)
Total revenues	<u>848,100</u>	<u>697,450</u>	<u>589,506</u>	<u>(107,944)</u>
Expenditures:				
Current -				
Public works	634,011	664,391	410,926	253,465
Capital outlay	106,583	320,858	193,013	127,845
Debt service -				
Principal	69,000	69,000	69,000	
Interest and fiscal charges	2,001	2,001	1,672	329
Total expenditures	<u>811,595</u>	<u>1,056,250</u>	<u>674,611</u>	<u>381,639</u>
Change in fund balances	<u>36,505</u>	<u>(358,800)</u>	<u>(85,105)</u>	<u>273,695</u>
Fund balances, July 1, 2010	129,333	432,949	487,177	54,228
Fund balances, June 30, 2011	<u>\$ 165,838</u>	<u>\$ 74,149</u>	<u>\$ 402,072</u>	<u>\$ 327,923</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Intergovernmental state	\$	\$ 5,935	\$ 5,518
Investment income		19,057	8
Total revenues		24,992	5,526
Expenditures:			
Current -			
Culture and recreation		6,558	6,558
Capital outlay		227,149	80,634
Total expenditures		233,707	80,634
Excess (deficiency) of revenues over expenditures		(208,715)	(75,108)
Other financing sources (uses):			
Transfers out	(121,605)	(121,605)	(121,605)
Total other financing sources (uses)	(121,605)	(121,605)	(121,605)
Change in fund balances	(121,605)	(330,320)	(196,713)
Fund balances, July 1, 2010	123,510	332,225	325,650
Fund balances, June 30, 2011	\$ 1,905	\$ 1,905	\$ 128,937

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 356,401	\$ 599,462	\$ 329,428	\$ (270,034)
Total revenues	<u>356,401</u>	<u>599,462</u>	<u>329,428</u>	<u>(270,034)</u>
Expenditures:				
Current -				
Public works	356,401	577,553	334,911	242,642
Total expenditures	<u>356,401</u>	<u>577,553</u>	<u>334,911</u>	<u>242,642</u>
Change in fund balances		<u>21,909</u>	<u>(5,483)</u>	<u>(27,392)</u>
Fund balances (deficits), July 1, 2010		<u>(21,909)</u>	<u>5,483</u>	<u>27,392</u>
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CRIME VICTIMS ASSISTANCE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$ 34,400	\$ 64,913	\$ 40,877	\$ (24,036)
Total revenues	<u>34,400</u>	<u>64,913</u>	<u>40,877</u>	<u>(24,036)</u>
Expenditures:				
Current -				
Public safety	48,084	73,043	42,638	30,405
Total expenditures	<u>48,084</u>	<u>73,043</u>	<u>42,638</u>	<u>30,405</u>
Excess (deficiency) of revenues over expenditures	<u>(13,684)</u>	<u>(8,130)</u>	<u>(1,761)</u>	<u>6,369</u>
Other financing sources (uses):				
Transfers in	13,684	14,805	4,164	(10,641)
Total other financing sources (uses)	<u>13,684</u>	<u>14,805</u>	<u>4,164</u>	<u>(10,641)</u>
Change in fund balances		<u>6,675</u>	<u>2,403</u>	<u>(4,272)</u>
Fund balances (deficits), July 1, 2010		<u>(6,675)</u>	<u>(2,403)</u>	<u>4,272</u>
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL OBLIGATION BONDS FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 4,498,448	\$ 4,498,448	\$ 4,451,273	\$ (47,175)
Investment income	4,000	4,000	358	(3,642)
Other revenues	47,650	47,650	23,830	(23,820)
Total revenues	<u>4,550,098</u>	<u>4,550,098</u>	<u>4,475,461</u>	<u>(74,637)</u>
Expenditures:				
Debt service -				
Principal	3,300,000	3,300,000	3,300,000	
Interest and fiscal charges	1,536,816	1,536,816	1,034,671	502,145
Total expenditures	<u>4,836,816</u>	<u>4,836,816</u>	<u>4,334,671</u>	<u>502,145</u>
Change in fund balances	<u>(286,718)</u>	<u>(286,718)</u>	<u>140,790</u>	<u>427,508</u>
Fund balances, July 1, 2010	4,431,890	4,431,890	4,039,681	(392,209)
Fund balances, June 30, 2011	<u>\$ 4,145,172</u>	<u>\$ 4,145,172</u>	<u>\$ 4,180,471</u>	<u>\$ 35,299</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2003 FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
Other expenses	14,175	43,874	43,874	
Debt service -				
Principal	915,000	915,000	915,000	
Interest and fiscal charges	3,963	3,963	1,649	2,314
Total expenditures	<u>933,138</u>	<u>962,837</u>	<u>960,523</u>	<u>2,314</u>
Excess (deficiency) of revenues over expenditures	<u>(933,138)</u>	<u>(962,837)</u>	<u>(960,523)</u>	<u>2,314</u>
Other financing sources (uses):				
Issuance of debt	967,515	967,515	967,515	
Transfers out	<u>(34,384)</u>	<u>(4,685)</u>	<u>(4,685)</u>	
Total other financing sources (uses)	<u>933,131</u>	<u>962,830</u>	<u>962,830</u>	
Change in fund balances	<u>(7)</u>	<u>(7)</u>	<u>2,307</u>	<u>2,314</u>
Fund balances (deficits), July 1, 2010	7	7	(2,307)	(2,314)
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2005 FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal and state shared taxes	\$ 1,120,000	\$ 1,120,000	\$ 1,253,483	\$ 133,483
Investment income	500	500	117	(383)
Total revenues	<u>1,120,500</u>	<u>1,120,500</u>	<u>1,253,600</u>	<u>133,100</u>
Expenditures:				
Debt service -				
Principal	245,000	245,000	245,000	
Interest and fiscal charges	874,714	874,714	807,494	67,220
Total expenditures	<u>1,119,714</u>	<u>1,119,714</u>	<u>1,052,494</u>	<u>67,220</u>
Change in fund balances	<u>786</u>	<u>786</u>	<u>201,106</u>	<u>200,320</u>
Fund balances, July 1, 2010	32	32	97,469	97,437
Fund balances, June 30, 2011	<u>\$ 818</u>	<u>\$ 818</u>	<u>\$ 298,575</u>	<u>\$ 297,757</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REFUND LOAN FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Municipal and state shared taxes	\$	\$ 10,032	\$ 12,981 \$ 2,949
Total revenues		10,032	12,981 2,949
Expenditures:			
Debt service -			
Principal	14,717	14,717	14,717
Interest and fiscal charges	19,667		14,717 (14,717)
Total expenditures	34,384	14,717	14,717
Excess (deficiency) of revenues over expenditures	(34,384)	(4,685)	(1,736) 2,949
Other financing sources (uses):			
Transfers in	34,384	4,685	4,685
Total other financing sources (uses)	34,384	4,685	4,685
Change in fund balances			2,949 2,949
Fund balances, July 1, 2010			
Fund balances, June 30, 2011	\$	\$	\$ 2,949 \$ 2,949

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP LOAN FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal and state shared taxes	\$ 435,797	\$ 435,797	\$ 465,159	\$ 29,362
Investment income	150	150	2	(148)
Total revenues	<u>435,947</u>	<u>435,947</u>	<u>465,161</u>	<u>29,214</u>
Expenditures:				
Debt service -				
Principal	180,000	180,000	180,000	
Interest and fiscal charges	255,947	255,947	237,066	18,881
Total expenditures	<u>435,947</u>	<u>435,947</u>	<u>417,066</u>	<u>18,881</u>
Change in fund balances			<u>48,095</u>	<u>48,095</u>
Fund balances, July 1, 2010	13,241	13,241	41,888	28,647
Fund balances, June 30, 2011	<u>\$ 13,241</u>	<u>\$ 13,241</u>	<u>\$ 89,983</u>	<u>\$ 76,742</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS LOAN FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Municipal and state shared taxes	\$	\$	\$ 2,079
Investment income	100	100	2 (98)
Total revenues	<u>100</u>	<u>100</u>	<u>2,081 1,981</u>
Expenditures:			
Debt service -			
Interest and fiscal charges	232,421	232,421	215,311 17,110
Total expenditures	<u>232,421</u>	<u>232,421</u>	<u>215,311 17,110</u>
Excess (deficiency) of revenues over expenditures	<u>(232,321)</u>	<u>(232,321)</u>	<u>(213,230) 19,091</u>
Other financing sources (uses):			
Transfers in	232,321	232,321	232,321
Total other financing sources (uses)	<u>232,321</u>	<u>232,321</u>	<u>232,321</u>
Change in fund balances			<u>19,091 19,091</u>
Fund balances, July 1, 2010	32,342	32,342	15,234 (17,108)
Fund balances, June 30, 2011	<u>\$ 32,342</u>	<u>\$ 32,342</u>	<u>\$ 34,325 \$ 1,983</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Contributions and donations	\$	\$ 15,000	\$ 15,000
Investment income			2
Total revenues		<u>15,000</u>	<u>15,002</u>
Expenditures:			
Current -			
Public works		110,761	78,682
Capital outlay		38,857	38,857
Total expenditures		<u>149,618</u>	<u>78,682</u>
Excess (deficiency) of revenues over expenditures		<u>(134,618)</u>	<u>(63,680)</u>
Other financing sources (uses):			
Transfers in		15,000	15,000
Total other financing sources (uses)		<u>15,000</u>	<u>15,000</u>
Change in fund balances		<u>(119,618)</u>	<u>(48,680)</u>
Fund balances, July 1, 2010	33,976	153,594	112,658
Fund balances, June 30, 2011	<u>\$ 33,976</u>	<u>\$ 33,976</u>	<u>\$ 63,978</u>
			<u>\$ 30,002</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay				
Capital outlay	5,344	280,952		280,952
Total capital outlay	5,344	280,952		280,952
Total expenditures	5,344	280,952		280,952
Change in fund balances	(5,344)	(280,952)		280,952
Fund balances, July 1, 2010	5,344	280,952	280,952	
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 280,952</u>	<u>\$ 280,952</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Investment income	\$	\$	\$ 566
Total revenues			566
Expenditures:			
Current -			
General government			32,079
Capital outlay	18,987	476,480	154,557
Total expenditures	18,987	476,480	186,636
Excess (deficiency) of revenues over expenditures	(18,987)	(476,480)	(186,070)
Other financing sources (uses):			
Transfers out	(232,321)	(232,321)	(232,321)
Total other financing sources (uses)	(232,321)	(232,321)	(232,321)
Change in fund balances	(251,308)	(708,801)	(418,391)
Fund balances, July 1, 2010	573,414	1,030,907	912,318
Fund balances, June 30, 2011	\$ 322,106	\$ 322,106	\$ 493,927

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA STIMULUS ROADS FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Intergovernmental federal	\$	\$ 6,794,571	\$ 4,110,970 \$ (2,683,601)
Total revenues		6,794,571	4,110,970 (2,683,601)
Expenditures:			
Capital outlay		4,110,970	2,976,900 1,134,070
Total expenditures		4,110,970	2,976,900 1,134,070
Change in fund balances		2,683,601	1,134,070 (1,549,531)
Fund balances (deficits), July 1, 2010		(2,683,601)	(1,134,070) 1,549,531
Fund balances, June 30, 2011	\$	\$	\$ \$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STATE APPROPRIATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	\$ 8,316	\$ 1,546,156	\$ 206,555	\$ (1,339,601)
Total revenues	<u>8,316</u>	<u>1,546,156</u>	<u>206,555</u>	<u>(1,339,601)</u>
Expenditures:				
Current -				
General government		125,114	33,021	92,093
Capital outlay	8,316	442,510	221,202	221,308
Total expenditures	<u>8,316</u>	<u>567,624</u>	<u>254,223</u>	<u>313,401</u>
Excess (deficiency) of revenues over expenditures		<u>978,532</u>	<u>(47,668)</u>	<u>(1,026,200)</u>
Other financing sources (uses):				
Transfers out	(1,579)	(1,579)	(1,579)	
Total other financing sources (uses)	<u>(1,579)</u>	<u>(1,579)</u>	<u>(1,579)</u>	
Change in fund balances	<u>(1,579)</u>	<u>976,953</u>	<u>(49,247)</u>	<u>(1,026,200)</u>
Fund balances (deficits), July 1, 2010	1,579	(976,953)	(82,963)	893,990
Fund balances (deficits), June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ (132,210)</u>	<u>\$ (132,210)</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2004 LIBRARY FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
Capital outlay	11	12,476	1,462	11,014
Total expenditures	11	12,476	1,462	11,014
Excess (deficiency) of revenues over expenditures	(11)	(12,476)	(1,462)	11,014
Fund balances, July 1, 2010	11	12,476	12,476	
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 11,014</u>	<u>\$ 11,014</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2005 FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
	\$	\$	\$	\$
Total revenues				
Expenditures:				
Current -				
General government	159,493	148,240	148,240	
Total expenditures	159,493	148,240	148,240	
Excess (deficiency) of revenues over expenditures	(159,493)	(148,240)	(148,240)	
Other financing sources (uses):				
Transfers in	127,891	116,638	116,638	
Total other financing sources (uses)	127,891	116,638	116,638	
Change in fund balances	(31,602)	(31,602)	(31,602)	
Fund balances, July 1, 2010	31,602	31,602	31,602	
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2006 AQUATICS
FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
	\$	\$	\$
Total revenues			
Expenditures:			
Current -			
Culture and recreation	71,926	87,581	79,780
Capital outlay	1,801	10,019	10,019
Total expenditures	<u>73,727</u>	<u>97,600</u>	<u>89,799</u>
Excess (deficiency) of revenues over expenditures	<u>(73,727)</u>	<u>(97,600)</u>	<u>(89,799)</u>
Fund balances, July 1, 2010	73,727	97,600	96,368
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 6,569</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ROAD IMPACT FEES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 405,509	\$ 794,639	\$ 693,910	\$ (100,729)
Investment income	5,000	1,000	494	(506)
Other revenues		199,735	177,319	(22,416)
Total revenues	<u>410,509</u>	<u>995,374</u>	<u>871,723</u>	<u>(123,651)</u>
Expenditures:				
Capital outlay	340,000	2,786,950	411,075	2,375,875
Debt service -				
Principal	93,815	171,300	171,300	
Interest and fiscal charges	8,542	19,130	4,862	14,268
Total expenditures	<u>442,357</u>	<u>2,977,380</u>	<u>587,237</u>	<u>2,390,143</u>
Excess (deficiency) of revenues over expenditures	<u>(31,848)</u>	<u>(1,982,006)</u>	<u>284,486</u>	<u>2,266,492</u>
Other financing sources (uses):				
Transfers out	(12,165)	(19,676)	(19,676)	
Total other financing sources (uses)	<u>(12,165)</u>	<u>(19,676)</u>	<u>(19,676)</u>	
Change in fund balances	<u>(44,013)</u>	<u>(2,001,682)</u>	<u>264,810</u>	<u>2,266,492</u>
Fund balances, July 1, 2010	697,061	2,644,214	2,640,497	(3,717)
Fund balances, June 30, 2011	<u>\$ 653,048</u>	<u>\$ 642,532</u>	<u>\$ 2,905,307</u>	<u>\$ 2,262,775</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAIL IMPACT FEES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 4,923	\$ 17,067	\$ 16,354	\$ (713)
Investment income			4	4
Total revenues	<u>4,923</u>	<u>17,067</u>	<u>16,358</u>	<u>(709)</u>
Expenditures:				
Capital outlay	<u>4,283</u>	<u>144,288</u>	<u>5,310</u>	<u>138,978</u>
Total expenditures	<u>4,283</u>	<u>144,288</u>	<u>5,310</u>	<u>138,978</u>
Excess (deficiency) of revenues over expenditures	<u>640</u>	<u>(127,221)</u>	<u>11,048</u>	<u>138,269</u>
Other financing sources (uses):				
Transfers out	<u>(148)</u>	<u>(512)</u>	<u>(512)</u>	
Total other financing sources (uses)	<u>(148)</u>	<u>(512)</u>	<u>(512)</u>	
Change in fund balances	<u>492</u>	<u>(127,733)</u>	<u>10,536</u>	<u>138,269</u>
Fund balances, July 1, 2010	14,767	142,992	142,992	
Fund balances, June 30, 2011	<u>\$ 15,259</u>	<u>\$ 15,259</u>	<u>\$ 153,528</u>	<u>\$ 138,269</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARK IMPACT FEES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 154,046	\$ 98,375	\$ 57,562	\$ (40,813)
Investment income	500	50	20	(30)
Total revenues	<u>154,546</u>	<u>98,425</u>	<u>57,582</u>	<u>(40,843)</u>
Expenditures:				
Capital outlay	119,764	460,102	101,208	358,894
Total expenditures	<u>119,764</u>	<u>460,102</u>	<u>101,208</u>	<u>358,894</u>
Excess (deficiency) of revenues over expenditures	<u>34,782</u>	<u>(361,677)</u>	<u>(43,626)</u>	<u>318,051</u>
Other financing sources (uses):				
Transfers out	(4,621)	(2,951)	(2,951)	
Total other financing sources (uses)	<u>(4,621)</u>	<u>(2,951)</u>	<u>(2,951)</u>	
Change in fund balances	<u>30,161</u>	<u>(364,628)</u>	<u>(46,577)</u>	<u>318,051</u>
Fund balances, July 1, 2010	292,887	648,969	648,969	
Fund balances, June 30, 2011	<u>\$ 323,048</u>	<u>\$ 284,341</u>	<u>\$ 602,392</u>	<u>\$ 318,051</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY IMPACT FEES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 115,030	\$ 498,395	\$ 413,652	\$ (84,743)
Investment income	1,000	50	21	(29)
Total revenues	<u>116,030</u>	<u>498,445</u>	<u>413,673</u>	<u>(84,772)</u>
Expenditures:				
Capital outlay	70,000	805,706	429,464	376,242
Total expenditures	<u>70,000</u>	<u>805,706</u>	<u>429,464</u>	<u>376,242</u>
Excess (deficiency) of revenues over expenditures	<u>46,030</u>	<u>(307,261)</u>	<u>(15,791)</u>	<u>291,470</u>
Other financing sources (uses):				
Transfers out	(3,450)	(14,951)	(14,951)	
Total other financing sources (uses)	<u>(3,450)</u>	<u>(14,951)</u>	<u>(14,951)</u>	
Change in fund balances	<u>42,580</u>	<u>(322,212)</u>	<u>(30,742)</u>	<u>291,470</u>
Fund balances, July 1, 2010	226,545	622,251	620,153	(2,098)
Fund balances, June 30, 2011	<u>\$ 269,125</u>	<u>\$ 300,039</u>	<u>\$ 589,411</u>	<u>\$ 289,372</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DRAINAGE IMPACT FEES FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	\$ 165,914	\$ 70,914	\$ 80,643	\$ 9,729
Investment income	2,000	200	137	(63)
Total revenues	<u>167,914</u>	<u>71,114</u>	<u>80,780</u>	<u>9,666</u>
Expenditures:				
Capital outlay	165,914	794,111	30,551	763,560
Total expenditures	<u>165,914</u>	<u>794,111</u>	<u>30,551</u>	<u>763,560</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>(722,997)</u>	<u>50,229</u>	<u>773,226</u>
Other financing sources (uses):				
Transfers out	(4,977)	(2,127)	(2,127)	
Total other financing sources (uses)	<u>(4,977)</u>	<u>(2,127)</u>	<u>(2,127)</u>	
Change in fund balances	<u>(2,977)</u>	<u>(725,124)</u>	<u>48,102</u>	<u>773,226</u>
Fund balances, July 1, 2010	223,079	851,276	820,584	(30,692)
Fund balances, June 30, 2011	<u>\$ 220,102</u>	<u>\$ 126,152</u>	<u>\$ 868,686</u>	<u>\$ 742,534</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	\$	\$ 18,971,863	\$ 4,437,912	\$ (14,533,951)
Intergovernmental state	121,000	2,523,399	2,164,435	(358,964)
Intergovernmental county		30,000	30,000	
Investment income			4	4
Other revenues		68,920		(68,920)
Total revenues	<u>121,000</u>	<u>21,594,182</u>	<u>6,632,351</u>	<u>(14,961,831)</u>
Expenditures:				
Capital outlay	128,250	19,806,668	8,137,053	11,669,615
Total expenditures	<u>128,250</u>	<u>19,806,668</u>	<u>8,137,053</u>	<u>11,669,615</u>
Excess (deficiency) of revenues over expenditures	<u>(7,250)</u>	<u>1,787,514</u>	<u>(1,504,702)</u>	<u>(3,292,216)</u>
Other financing sources (uses):				
Transfers in	1,579	50,588	50,588	
Transfers out	(462,991)	(462,991)	(462,991)	
Total other financing sources (uses)	<u>(461,412)</u>	<u>(412,403)</u>	<u>(412,403)</u>	
Change in fund balances	<u>(468,662)</u>	<u>1,375,111</u>	<u>(1,917,105)</u>	<u>(3,292,216)</u>
Fund balances (deficits), July 1, 2010	494,410	(1,349,363)	(552,419)	796,944
Fund balances (deficits), June 30, 2011	<u>\$ 25,748</u>	<u>\$ 25,748</u>	<u>\$ (2,469,524)</u>	<u>\$ (2,495,272)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2009 ROADS FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Investment income	\$	\$ 7,000	\$ 9,428
Other revenues			1,314,071
Total revenues		<u>7,000</u>	<u>1,323,499</u>
Expenditures:			
Current -			
Public works		6,277,506	6,262,591
Capital outlay	255,321	10,908,934	3,297,574
Total expenditures	<u>255,321</u>	<u>17,186,440</u>	<u>9,560,165</u>
Excess (deficiency) of revenues over expenditures	<u>(255,321)</u>	<u>(17,179,440)</u>	<u>(8,236,666)</u>
Other financing sources (uses):			
Transfers in		1,314,071	(1,314,071)
Total other financing sources (uses)		<u>1,314,071</u>	<u>(1,314,071)</u>
Change in fund balances	<u>(255,321)</u>	<u>(15,865,369)</u>	<u>(8,236,666)</u>
Fund balances, July 1, 2010	255,321	15,865,369	15,509,655
Fund balances, June 30, 2011	<u>\$</u>	<u>\$</u>	<u>\$ 7,272,989</u>

The notes to the financial statements are an integral part of this statement.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITIES FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services - water	\$ 18,383,416	\$ 18,383,416	\$ 18,926,700	\$ 543,284
Charges for services - wastewater	13,227,831	13,227,831	13,760,459	532,628
Interest on investments	44,450	22,050	34,672	12,622
Intergovernmental federal	28,100	9,099,863	905,478	(8,194,385)
Intergovernmental state		6,878,298	2,248,437	(4,629,861)
Intergovernmental county		354,621		(354,621)
Impact fees	824,347	599,506	581,191	(18,315)
Loan Proceeds		33,715,713	8,247,123	(25,468,590)
Other revenues			60,838	60,838
Total revenues	<u>32,508,144</u>	<u>82,281,298</u>	<u>44,764,898</u>	<u>(37,516,400)</u>
Expenditures:				
Operations	20,038,824	23,419,329	19,616,635	3,802,694
Capital outlay	6,343,964	58,419,901	15,233,303	43,186,598
Debt service -				
Principal	5,833,406	6,174,201	6,174,201	
Interest and fiscal charges	5,478,499	5,544,415	5,548,035	(3,620)
Other expenditures				
Total expenditures	<u>37,694,693</u>	<u>93,557,846</u>	<u>46,572,174</u>	<u>46,985,672</u>
Excess of revenues over (under) expenditures	<u>\$ (5,186,549)</u>	<u>\$ (11,276,548)</u>	<u>(1,807,276)</u>	<u>\$ 9,469,272</u>
Revenues (expenses) not budgeted:				
Amortization			63,554	
Depreciation			(5,131,838)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			6,174,201	
Loan proceeds			(8,247,123)	
Capital contributions			12,258,556	
Capital outlay			<u>15,233,303</u>	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 18,543,377</u>	

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
MULTI-PURPOSE EVENT CENTER FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 596,488	\$ 596,488	\$ 463,616	\$ (132,872)
Interest on investments	6,500	6,500	7,511	1,011
Intergovernmental	2,508,638	2,508,638	2,724,537	215,899
Total revenues	<u>3,111,626</u>	<u>3,111,626</u>	<u>3,195,664</u>	<u>84,038</u>
Expenditures:				
Operations	11,930	11,930	118,191	(106,261)
Capital outlay				
Debt service -				
Principal	1,270,000	1,270,000	1,270,000	
Interest and fiscal charges	1,729,696	1,729,696	1,602,056	127,640
Total expenditures	<u>3,011,626</u>	<u>3,011,626</u>	<u>2,990,247</u>	<u>21,379</u>
Excess of revenues over (under) expenditures	<u>\$ 100,000</u>	<u>\$ 100,000</u>	205,417	<u>\$ 105,417</u>
 Revenues (expenses) not budgeted:				
Amortization			(39,217)	
Depreciation			(879,674)	
 Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			1,270,000	
Capital contributions			<u>287,831</u>	
 Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 844,357</u>	

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INTERNAL SERVICE FUND DESCRIPTIONS

Health Self-Insurance – To account for revenues collected from employee/employer contributions for the purpose of self funding health insurance administered by Presbyterian and Lovelace Health.

Dental Self-Insurance – To account for revenues collected from employee/employer contributions for the purpose of self funding dental insurance administered by Delta Dental.

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS - ALL INTERNAL SERVICE FUNDS
JUNE 30, 2011

	Health Self Insurance Fund	Dental Self Insurance Fund	Totals
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 893,225	\$ 100,059	\$ 993,284
Total assets	<u>893,225</u>	<u>100,059</u>	<u>993,284</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 53,370	\$ 2,633	\$ 56,003
Claims payable	843,226	67,059	\$ 910,285
Total liabilities	<u>896,596</u>	<u>69,692</u>	<u>966,288</u>
<u>NET ASSETS</u>			
Unrestricted	(3,371)	30,367	26,996
Total net assets	<u>\$ (3,371)</u>	<u>\$ 30,367</u>	<u>\$ 26,996</u>

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Health Self Insurance Fund	Dental Self Insurance Fund	Totals
Operating revenues:			
Charges for services - other services	\$ 5,153,437	\$ 466,239	\$ 5,619,676
Total operating revenues	<u>5,153,437</u>	<u>466,239</u>	<u>5,619,676</u>
Operating expenses:			
Other services	5,156,808	435,872	5,592,680
Total operating expenses	<u>5,156,808</u>	<u>435,872</u>	<u>5,592,680</u>
Operating income (loss)	<u>(3,371)</u>	<u>30,367</u>	<u>26,996</u>
Income before capital contributions and transfers	<u>(3,371)</u>	<u>30,367</u>	<u>26,996</u>
Change in net assets	<u>(3,371)</u>	<u>30,367</u>	<u>26,996</u>
Total net assets, beginning of year			
Total net assets, end of year	<u><u>\$ (3,371)</u></u>	<u><u>\$ 30,367</u></u>	<u><u>\$ 26,996</u></u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
HEALTH SELF INSURANCE FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 5,344,594	\$ 5,344,594	\$ 5,153,437	\$ (191,157)
Total revenues	<u>5,344,594</u>	<u>5,344,594</u>	<u>5,153,437</u>	<u>(191,157)</u>
Expenditures:				
Operations	<u>4,817,627</u>	<u>4,817,627</u>	<u>4,313,582</u>	504,045
Total expenditures	<u>4,817,627</u>	<u>4,817,627</u>	<u>4,313,582</u>	<u>504,045</u>
Excess of revenues over (under) expenditures	<u>\$ 526,967</u>	<u>\$ 526,967</u>	839,855	<u>\$ 312,888</u>
Non-budgeted Expenses				
Expense related to claims incurred but not reported (IBNR)			843,226	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ (3,371)</u>	

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
DENTAL SELF INSURANCE FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	<u>\$ 482,360</u>	<u>\$ 482,360</u>	<u>\$ 466,239</u>	<u>\$ (16,121)</u>
Total revenues	<u>482,360</u>	<u>482,360</u>	<u>466,239</u>	<u>(16,121)</u>
Expenditures:				
Operations	<u>414,249</u>	<u>414,249</u>	<u>368,814</u>	<u>45,435</u>
Total expenditures	<u>414,249</u>	<u>414,249</u>	<u>368,814</u>	<u>45,435</u>
Excess of revenues over (under) expenditures	<u>\$ 68,111</u>	<u>\$ 68,111</u>	<u>97,425</u>	<u>\$ 29,314</u>
Non-budgeted Expenses				
Expense related to claims incurred but not reported (IBNR)			67,059	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			<u>\$ 30,366</u>	

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AGENCY FUND DESCRIPTIONS

Rio Metro Fund – To account for Para-transit fees collected on behalf of Rio Metro and the reimbursement of bus maintenance costs associated with Rio Metro.

Special Assessment District Operations Fund – To account for Special Assessment District administrative fees which may be used for collection or other expenditures related to the administration of Special Assessment Districts.

Special Assessment District VIII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district eight projects debt service.

Special Assessment District VI Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district six projects debt service.

Special Assessment District VII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district seven projects debt service.

Special Assessment District V Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district five projects debt service.

Rio Rancho Economic Development Fund – To account for contributions from builders for the Rio Rancho Economic Development Corporation. The fund is a pass-through fund; all revenues collected are remitted to RREDC.

Municipal Court Fund – To account for collections and payments of court fines, criminal bonds and other fees from and on behalf of the public.

Motor Vehicle Division Fund – To account for license fees and revenue collected by the City as agent for the Motor Vehicle Division, State of New Mexico as allowed by New Mexico State Statute, Section 66.

Gross Receipts Incentive Program (GRIP) Fund – To account for funds held by the City for reimbursement to retail businesses which generate significant gross receipts tax revenue to the City.

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2011

	<u>Rio Metro Fund</u>	<u>Assessment District Operations</u>	<u>Assessment District VIII Bonds</u>	<u>Assessment District VI Bonds Fund</u>	<u>Assessment District VII Bonds Fund</u>
<u>ASSETS</u>					
Cash and investments	\$ 948	\$ 42,658	\$ 127,191	\$ 712,795	\$ 1,159,970
Total assets	<u>\$ 948</u>	<u>\$ 42,658</u>	<u>\$ 127,191</u>	<u>\$ 712,795</u>	<u>\$ 1,159,970</u>
<u>LIABILITIES</u>					
Deposits held for others	948	42,658	127,191	712,795	1,159,970
Total liabilities	<u>\$ 948</u>	<u>\$ 42,658</u>	<u>\$ 127,191</u>	<u>\$ 712,795</u>	<u>\$ 1,159,970</u>

Assessment District V Bonds Fund	RR Economic Development Fund	Municipal Court Fund	Motor Vehicle Division Fund	Incentive Program (GRIP) Fund	Totals
\$ 2,345	\$ 728	\$ 15,415	\$ 2,533	\$	\$ 2,064,583
\$ 2,345	\$ 728	\$ 15,415	\$ 2,533	\$	\$ 2,064,583
2,345	728	15,415	2,533		2,064,583
\$ 2,345	\$ 728	\$ 15,415	\$ 2,533	\$	\$ 2,064,583

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>RIO METRO FUND</u>				
<u>Assets</u>				
Cash and investments	\$ (4,665)	\$ 110,397	\$ 104,784	\$ 948
Total assets	<u>\$ (4,665)</u>	<u>\$ 110,397</u>	<u>\$ 104,784</u>	<u>\$ 948</u>
<u>Liabilities</u>				
Deposits held for others	\$ (4,665)	\$ 110,397	\$ 104,784	\$ 948
Total liabilities	<u>\$ (4,665)</u>	<u>\$ 110,397</u>	<u>\$ 104,784</u>	<u>\$ 948</u>
<u>SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 5,228	\$ 89,112	\$ 51,682	\$ 42,658
Total assets	<u>\$ 5,228</u>	<u>\$ 89,112</u>	<u>\$ 51,682</u>	<u>\$ 42,658</u>
<u>Liabilities</u>				
Deposits held for others	\$ 5,228	\$ 89,112	\$ 51,682	\$ 42,658
Total liabilities	<u>\$ 5,228</u>	<u>\$ 89,112</u>	<u>\$ 51,682</u>	<u>\$ 42,658</u>
<u>SPECIAL ASSESSMENT DISTRICT VIII BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 250,190	\$ 144,363	\$ 267,362	\$ 127,191
Total assets	<u>\$ 250,190</u>	<u>\$ 144,363</u>	<u>\$ 267,362</u>	<u>\$ 127,191</u>
<u>Liabilities</u>				
Deposits held for others	\$ 250,190	\$ 144,363	\$ 267,362	\$ 127,191
Total liabilities	<u>\$ 250,190</u>	<u>\$ 144,363</u>	<u>\$ 267,362</u>	<u>\$ 127,191</u>
<u>SPECIAL ASSESSMENT DISTRICT VI BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 283,897	\$ 709,603	\$ 280,705	\$ 712,795
Total assets	<u>\$ 283,897</u>	<u>\$ 709,603</u>	<u>\$ 280,705</u>	<u>\$ 712,795</u>
<u>Liabilities</u>				
Deposits held for others	\$ 283,897	\$ 709,603	\$ 280,705	\$ 712,795
Total liabilities	<u>\$ 283,897</u>	<u>\$ 709,603</u>	<u>\$ 280,705</u>	<u>\$ 712,795</u>

	Balance Julv 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>SPECIAL ASSESSMENT DISTRICT VII BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 880,015	\$ 953,256	\$ 673,301	\$ 1,159,970
Total assets	<u>\$ 880,015</u>	<u>\$ 953,256</u>	<u>\$ 673,301</u>	<u>\$ 1,159,970</u>
<u>Liabilities</u>				
Deposits held for others	\$ 880,015	\$ 953,256	\$ 673,301	\$ 1,159,970
Total liabilities	<u>\$ 880,015</u>	<u>\$ 953,256</u>	<u>\$ 673,301</u>	<u>\$ 1,159,970</u>
<u>SPECIAL ASSESSMENT DISTRICT V BONDS</u>				
<u>Assets</u>				
Cash and investments	\$ 9,387	\$ 28,580	\$ 35,622	\$ 2,345
Total assets	<u>\$ 9,387</u>	<u>\$ 28,580</u>	<u>\$ 35,622</u>	<u>\$ 2,345</u>
<u>Liabilities</u>				
Deposits held for others	\$ 9,387	\$ 28,580	\$ 35,622	\$ 2,345
Total liabilities	<u>\$ 9,387</u>	<u>\$ 28,580</u>	<u>\$ 35,622</u>	<u>\$ 2,345</u>
<u>RIO RANCHO ECONOMIC DEVELOPMENT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 7,276	\$ 6,548	\$ 728
Total assets	<u>\$ -</u>	<u>\$ 7,276</u>	<u>\$ 6,548</u>	<u>\$ 728</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 7,276	\$ 6,548	\$ 728
Total liabilities	<u>\$ -</u>	<u>\$ 7,276</u>	<u>\$ 6,548</u>	<u>\$ 728</u>
<u>MUNICIPAL COURT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 18,321	\$ 68,494	\$ 71,400	\$ 15,415
Total assets	<u>\$ 18,321</u>	<u>\$ 68,494</u>	<u>\$ 71,400</u>	<u>\$ 15,415</u>
<u>Liabilities</u>				
Deposits held for others	\$ 18,321	\$ 68,494	\$ 71,400	\$ 15,415
Total liabilities	<u>\$ 18,321</u>	<u>\$ 68,494</u>	<u>\$ 71,400</u>	<u>\$ 15,415</u>

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>MOTOR VEHICLE DIVISION FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 3,158	\$ 2,084,994	\$ 2,085,619	\$ 2,533
Total assets	<u>\$ 3,158</u>	<u>\$ 2,084,994</u>	<u>\$ 2,085,619</u>	<u>\$ 2,533</u>
<u>Liabilities</u>				
Deposits held for others	\$ 3,158	\$ 2,084,994	\$ 2,085,619	\$ 2,533
Total liabilities	<u>\$ 3,158</u>	<u>\$ 2,084,994</u>	<u>\$ 2,085,619</u>	<u>\$ 2,533</u>
<u>GROSS RECEIPTS INCENTIVE PROGRAM (GRIP) FUND</u>				
<u>Assets</u>				
Cash and investments	\$ -	\$ 162,564	\$ 162,564	\$ -
Total assets	<u>\$ -</u>	<u>\$ 162,564</u>	<u>\$ 162,564</u>	<u>\$ -</u>
<u>Liabilities</u>				
Deposits held for others	\$ -	\$ 162,564	\$ 162,564	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 162,564</u>	<u>\$ 162,564</u>	<u>\$ -</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,445,531	\$ 4,358,639	\$ 3,739,587	\$ 2,064,583
Total assets	<u>\$ 1,445,531</u>	<u>\$ 4,358,639</u>	<u>\$ 3,739,587</u>	<u>\$ 2,064,583</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,445,531	\$ 4,358,639	\$ 3,739,587	\$ 2,064,583
Total liabilities	<u>\$ 1,445,531</u>	<u>\$ 4,358,639</u>	<u>\$ 3,739,587</u>	<u>\$ 2,064,583</u>

**OTHER SUPPLEMENTAL INFORMATION REQUIRED
BY THE NEW MEXICO STATE AUDITOR**

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
AND PLEDGED COLLATERAL
June 30, 2011

DEPOSIT ACCOUNTS:

Financial Institution:		Balances	
Account Name	Account Type	Reconciled	On Deposit
Wells Fargo			
Operating	Checking	\$ 35,006,756	\$ 35,998,177
Operating	Savings	3,002,872	3,002,872
Operating	NOW Savings	4,000,806	4,000,806
Pork n Brew	Checking	-	21,500
Motor Vehicle	Checking	2,533	10,767
Municipal Court - Bond	Checking	15,415	18,470
Total Wells Fargo Deposit Accounts		42,028,382	43,052,592
Bank of New York Mellon			
Reserve (Loan# riorancho19)		\$ 339,000	\$ 339,051
Reserve (Loan# riorancho21)	Trust	511,486	511,563
		850,486	850,614
Total Deposit Accounts		\$ 42,878,868	\$ 43,903,206

INVESTMENT ACCOUNTS

Financial Institution:		Cost	Market
Account Name	Account Type		
State of New Mexico			
Local Government Investment Pool	Investment	\$ 104,083	\$ 104,083
Total State of New Mexico Investment Accounts		104,083	104,083
NM Bank & Trust			
Certificates of Deposit	Investment	\$ 1,000,000	\$ 1,002,758
Total State of New Mexico Investment Accounts		1,000,000	1,002,758
Wells Fargo Bank			
Federal Home Loan Bank (Multi-Step Coupon Bond)	Investment	9,180,000	9,183,066
Total Wells Fargo Bank Investment Accounts		9,180,000	9,183,066
Total Investment Accounts		\$ 10,284,083	\$ 10,289,907

PLEDGED COLLATERAL

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Wells Fargo	FNCL	31409XTP4	San Francisco, CA	05/01/36	2,575,448
Wells Fargo	FNCL	31412FMN0	San Francisco, CA	04/01/37	880,136
Wells Fargo	FNCL	31415LML8	San Francisco, CA	08/01/38	495,019
Wells Fargo	FNCL	31415SYU0	San Francisco, CA	12/01/38	67,277
Wells Fargo	FNCL	31407H3T1	San Francisco, CA	06/01/36	319,240
Wells Fargo	FNCL	31410SA80	San Francisco, CA	05/01/36	43,551
Wells Fargo	FNCL	31409CV69	San Francisco, CA	05/01/36	2,488,558
Wells Fargo	FNCL	31411WVR5	San Francisco, CA	05/01/37	38,976
Total Pledged Collateral					\$ 6,908,205 *

*All funds in a "noninterest-bearing transaction account" are insured in full by FDIC Insurance Corporation from December 31, 2010, through December 31, 2012. Pledged Collateral in only for the Savings Account. (Refer to Note 2 of the Financial Statements)

Despository - Cash	Account Name	Account Type	Bank Balance
Bank of New York - Mellon	RioRancho19	Money Market	339,051
Bank of New York - Mellon	RioRancho20	Money Market	511,563

**Bank of New York Mellon pledges internal cash reserves of 100% of deposit amounts.

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2011

Participants: City of Rio Rancho, County of Sandoval, Village of Corrales, Town of Bernalillo, and Pueblo of Santa Ana

Responsible Party: Sandoval County Regional Emergency Communications Center (SCRECC)

Description: Operating, administering, and maintaining a joint enhanced 911 Regional Communications Center to provide emergency telephone access for the citizens of the parties' agreement and to provide for the emergency communications needs of the public safety agencies of the parties' agreement.

Dates of Agreement: 8/25/08-indefinite

Total Amount/City Share: 50.8930%

Fiscal Year 2011 Amount: \$1,217,118.77

Audit Responsibility: Sandoval County Regional Emergency Communications Center Board.

Participants: New Mexico Self-Insurer's Fund (NMSIF)

Responsible Party: The Board of Trustees

Description: To permit the members joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and to provide a procedure for securing benefits, services, indemnification or protection for members and their employees relating to insurance or self-insurance.

Dates of Agreement: 7/1/96 – indefinite

Total Amount/City Share: City share 100%.

Fiscal Year 2011 Amount: \$1,035,985.84

Audit Responsibility: NMSIF

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2011
(Cont'd)

Participants: New Mexico Taxation & Revenue Department

Responsible Party: N/A

Description: Appointment as agent for issuance of Tax ID

Dates of Agreement: 08/01/1988 - indefinite

Total Amount/City Share: N/A

Fiscal Year 2011 Amount: N/A

Audit Responsibility: N/A

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: Use of inmate crews to perform natural resource improvements to City
property and provide vocational training for inmates classified by the
Corrections Department as minimum-security inmates.

Dates of Agreement: December 1, 2003, until terminated by either party

Total Amount/City Share: N/A

Fiscal Year 2011 Amount: N/A

Audit Responsibility: N/A

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2011
(Concl'd)

Participants: New Mexico Energy, Minerals, and Natural Resources Department,
State Forestry Division (EMNRD)

Responsible Party: EMNRD

Description: EMNRD is responsible for the suppression of wildfires on state and non-municipal private lands and is authorized to provide assistance to equip local firefighting forces to suppress fires in rural areas. Law provides that EMNRD can purchase wildland fire safety gear through the federal supply schedules of the General Service Administration.

Dates of Agreement: March 25, 1998, until terminated by either party

Total Amount/City Share: N/A

Fiscal Year 2011 Amount: N/A

Audit Responsibility: N/A

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Rio Rancho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>TABLE OF CONTENTS</u>	<u>Page</u>
FINANCIAL TRENDS	207
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
REVENUE CAPACITY	214
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
DEBT CAPACITY	219
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	224
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
OPERATING INFORMATION	228
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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City of Rio Rancho, New Mexico
Net Assets By Component
Last Nine Years

(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 20,680,510	\$ 27,306,972	\$ 98,222,797	\$ 159,084,358	\$ 184,408,573	\$ 197,267,351	\$ 206,205,225	\$ 233,285,141	\$ 233,918,334
Restricted	4,839,243	5,203,879	30,233,533	36,157,574	19,344,282	8,797,171	8,006,271	9,465,808	10,158,631
Unrestricted	12,483,992	15,762,666	(1,967,967)	653,855	18,443,967	22,168,709	17,829,165	15,843,998	20,205,632
Total governmental activities net assets	\$ 38,003,745	\$ 48,273,517	\$ 126,488,363	\$ 195,895,787	\$ 222,196,822	\$ 228,233,231	\$ 232,040,661	\$ 258,594,947	\$ 264,282,597
Business-type activities									
Invested in capital assets, net of related debt	\$ (3,234,236)	\$ 317,688	\$ 18,092,619	\$ 45,520,647	\$ 57,733,951	\$ 72,484,053	\$ 108,895,574	\$ 122,367,287	\$ 137,363,850
Restricted	2,675,000	2,985,858	3,615,705	8,378,213	11,581,655	11,284,077	8,813,942	9,111,523	9,623,009
Unrestricted	17,738,726	19,425,371	22,040,446	20,805,858	19,686,293	26,649,899	21,069,336	21,579,698	25,110,463
Total business-type activities net assets	\$ 17,179,490	\$ 22,728,917	\$ 43,748,770	\$ 74,704,718	\$ 89,001,899	\$ 110,418,029	\$ 138,778,852	\$ 153,058,508	\$ 172,097,322
Primary government									
Invested in capital assets, net of related debt	\$ 17,446,274	\$ 27,624,660	\$ 116,315,416	\$ 204,605,005	\$ 242,142,524	\$ 269,751,404	\$ 315,100,799	\$ 355,652,428	\$ 371,282,184
Restricted	7,514,243	8,189,737	33,849,238	44,535,787	30,925,937	20,081,248	16,820,213	18,577,331	19,781,640
Unrestricted	30,222,718	35,188,037	20,072,479	21,459,713	38,130,260	48,818,608	38,898,501	37,423,696	45,316,095
Total primary government net assets	\$ 55,183,235	\$ 71,002,434	\$ 170,237,133	\$ 270,600,505	\$ 311,198,721	\$ 338,651,260	\$ 370,819,513	\$ 411,653,455	\$ 436,379,919

Source: The City's Financial Records, Financial Services Department

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The significant increase in net assets in fiscal year 2005 is due to the addition of infrastructure assets.

City of Rio Rancho, New Mexico

Changes in Net Assets

Last Nine Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
	2009	2010	2011	2012	2013	2014
Expenses						
Governmental activities:						
General government	\$ 6,115,635	\$ 4,195,285	\$ 4,274,259	\$ 4,749,168	\$ 9,446,698	\$ 10,106,998
Public safety	12,485,446	14,207,384	15,528,740	18,308,571	22,755,627	30,453,273
Public works	8,159,140	4,309,312	9,488,494	12,893,315	15,388,104	18,078,174
Culture and recreation	5,525,730	5,810,516	6,216,143	7,883,200	8,877,320	9,478,686
Economic development	1,227,959	1,440,044	2,029,354	2,626,428	2,944,345	3,507,872
Interest on long-term debt	744,561	660,836	659,268	1,323,496	1,943,996	1,583,622
Total government activities expenses	34,258,471	30,623,377	38,196,258	47,284,178	61,356,090	73,208,625
Business-type activities:						
Water	8,925,793	8,690,738	9,752,369	11,898,363	10,763,072	12,326,747
Wastewater	6,852,884	6,828,437	7,062,060	7,562,599	8,739,795	11,406,457
Event Center	-	-	292	1,663,068	2,682,495	2,116,636
Total business-type activities expenses	15,778,677	15,519,175	16,814,721	21,124,030	22,185,362	25,849,840
Total primary government expenses	\$ 50,037,148	\$ 46,142,552	\$ 55,010,979	\$ 68,408,208	\$ 83,541,452	\$ 99,058,465
Program revenues						
Governmental activities:						
Charge for services	\$ 553,585	\$ 891,490	\$ 1,127,678	\$ 1,321,470	\$ 1,234,218	\$ 1,304,678
General government	1,925,482	2,933,717	3,965,278	4,934,508	4,408,392	4,388,583
Public safety	544,453	746,455	1,163,229	1,426,493	1,163,828	1,097,003
Public works	875,709	1,272,197	1,632,863	1,998,717	1,661,845	1,610,322
Culture and recreation	143,258	219,479	436,865	622,809	490,463	495,912
Economic development	1,205,804	2,369,464	1,620,825	1,424,185	2,564,015	3,660,574
Operating grants and contributions	2,837,716	1,009,062	1,789,291	28,864,918	25,160,023	15,336,888
Capital grants and contributions	8,086,007	9,441,864	11,736,029	40,593,100	36,682,784	27,893,960
Total governmental activities program revenues	9,448,793	10,213,127	12,148,637	15,458,413	13,535,909	17,048,390
Business-type activities:						
Charge for services:						
Water	7,108,219	7,932,644	8,737,224	9,825,367	11,066,613	11,623,418
Wastewater	-	-	14,600	159,074	1,161,574	864,634
Event Center	-	-	-	-	150,000	1,650,000
Operating grants and contributions	146,378	352,127	4,617,957	18,313,509	7,130,740	13,320,728
Capital grants and contributions	16,703,390	18,497,898	25,518,418	43,756,363	33,044,836	44,507,170
Total business-type activities program revenues	\$ 24,789,397	\$ 27,939,762	\$ 37,254,447	\$ 84,349,463	\$ 69,727,620	\$ 72,401,130
Total primary government program revenues	\$ 24,789,397	\$ 27,939,762	\$ 37,254,447	\$ 84,349,463	\$ 69,727,620	\$ 72,401,130

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

City of Rio Rancho, New Mexico

Changes in Net Assets

Last Nine Years

(accrual basis of accounting)

Schedule 2
(Cont'd)

(accrual basis of accounting)									
	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue									
Governmental activities	\$ (26,172,464)	\$ (21,181,513)	\$ (26,460,229)	\$ (6,691,078)	\$ (24,673,306)	\$ (45,314,665)	\$ (44,000,067)	\$ (21,554,162)	\$ (44,718,982)
Business-type activities	924,713	2,978,723	8,703,697	22,632,333	10,859,474	18,657,330	11,941,646	13,363,554	14,049,723
Total primary government net assets	<u>\$ (25,247,751)</u>	<u>\$ (18,202,790)</u>	<u>\$ (17,756,532)</u>	<u>\$ 15,941,255</u>	<u>\$ (13,813,832)</u>	<u>\$ (26,657,335)</u>	<u>\$ (32,058,421)</u>	<u>\$ (8,190,608)</u>	<u>\$ (30,669,259)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes	\$ 6,689,973	\$ 6,804,458	\$ 7,447,467	\$ 8,394,598	\$ 9,759,949	\$ 12,857,673	\$ 14,484,127	\$ 15,969,391	\$ 16,349,117
Gross receipts taxes	9,786,994	9,920,581	13,120,239	19,526,233	18,858,973	18,148,103	15,720,986	15,434,222	17,201,811
Franchise taxes	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655
Unrestricted grants, aid and state shared revenues	8,876,352	9,848,581	11,218,874	13,034,242	15,969,522	14,268,918	13,425,817	12,772,147	13,534,932
Investment income	261,638	241,122	485,905	2,004,373	2,881,181	1,167,530	284,896	53,817	23,408
Miscellaneous	105,043	73,290	70,498	15,590	704,101	2,010,150	903,402	764,358	77,709
Impact fees (A)	1,377,679	2,330,707	3,527,405	-	-	-	-	-	-
Total governmental activities	<u>29,205,983</u>	<u>31,451,285</u>	<u>38,171,521</u>	<u>45,667,921</u>	<u>50,974,341</u>	<u>51,351,074</u>	<u>47,807,497</u>	<u>47,989,636</u>	<u>50,406,632</u>
Business-type activities									
Unrestricted grants, aid and state shared revenues	293,196	301,144	418,277	2,611,880	3,437,707	2,711,197	1,191,571	75,894	4,972,974
Investment income	-	-	-	-	-	47,603	531,454	840,208	42,183
Miscellaneous	1,165,174	2,269,560	3,629,855	-	-	-	-	-	323,934
Impact fees (A)	1,458,370	2,570,704	4,048,132	2,611,880	3,437,707	2,758,800	1,723,025	916,102	5,339,091
Total business-type activities	<u>\$ 30,664,353</u>	<u>\$ 34,021,989</u>	<u>\$ 42,219,653</u>	<u>\$ 48,279,801</u>	<u>\$ 54,412,048</u>	<u>\$ 54,109,874</u>	<u>\$ 49,530,522</u>	<u>\$ 48,905,738</u>	<u>\$ 55,745,723</u>
Total primary government									
Change in Net Assets									
Governmental activities	\$ 3,033,519	\$ 10,269,772	\$ 11,711,292	\$ 38,976,843	\$ 26,301,035	\$ 6,036,409	\$ 3,807,430	\$ 26,435,474	\$ 5,687,650
Business-type activities	2,383,083	5,549,427	12,751,829	25,244,213	14,297,181	21,416,130	13,664,671	14,279,656	19,388,814
Total primary government	<u>\$ 5,416,602</u>	<u>\$ 15,819,199</u>	<u>\$ 24,463,121</u>	<u>\$ 64,221,056</u>	<u>\$ 40,598,216</u>	<u>\$ 27,452,539</u>	<u>\$ 17,472,101</u>	<u>\$ 40,715,130</u>	<u>\$ 25,076,464</u>

Source: The City's Financial Records, Financial Services Department

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

(A) - Beginning in fiscal year 2006, impact fees are reclassified as Capital Grants and Contributions.

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City of Rio Rancho, New Mexico
Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Unreserved	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869	\$ 10,925,800	\$ 13,314,756
Total general fund	\$ 6,954,382	\$ 9,499,506	\$ 11,670,614	\$ 15,456,118	\$ 20,969,824	\$ 19,180,448	\$ 13,787,854	\$ 9,600,869	\$ 10,925,800	\$ 13,314,756
All other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$ 2,807,871	\$ 2,116,294	\$ 3,705,958	\$ 4,167,797	\$ 5,649,848	\$ 6,602,598	\$ 5,754,154	\$ 7,222,212	\$ 9,592,523	\$ 8,051,434
Capital project funds	7,735,923	3,984,257	5,718,637	32,834,006	39,254,295	24,834,816	11,381,019	39,219,423	20,129,681	10,647,019
Debt service funds	2,997,232	2,268,155	1,399,764	1,441,050	1,885,213	1,609,098	3,848,464	4,276,390	4,191,966	4,606,303
Total all other governmental funds	\$ 13,541,026	\$ 8,368,706	\$ 10,824,359	\$ 38,442,853	\$ 46,789,356	\$ 33,046,512	\$ 20,983,637	\$ 50,718,025	\$ 33,914,170	\$ 23,304,756

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$ 19,536,360	\$ 24,742,640	\$ 26,582,465	\$ 31,794,472	\$ 40,938,066	\$ 44,497,571	\$ 44,647,539	\$ 43,369,647	\$ 44,037,406	\$ 46,975,454
Licenses and permits	395,916	311,528	365,929	388,605	379,136	375,559	362,924	309,310	335,490	595,520
Intergovernmental	2,870,889	4,013,780	3,336,576	3,102,857	6,843,550	14,967,100	7,160,889	8,302,542	23,581,048	22,738,572
Impact fees	-	1,377,679	2,330,707	3,527,405	3,656,952	3,346,000	1,969,502	1,312,729	2,251,932	1,262,121
Charges for services	4,101,025	2,552,937	3,855,894	5,902,794	7,650,816	6,266,634	5,798,568	5,383,534	5,487,067	5,555,463
Fines and forfeits	375,396	767,544	965,513	1,051,048	1,076,497	1,158,149	1,176,750	1,222,371	1,269,327	1,168,292
Franchise fees	2,050,932	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655
Contributions and donations	40,187	192,282	50,559	168,816	2,129,098	1,707,453	35,554	81,493	65,298	71,202
Investment income	490,754	261,638	241,246	485,905	2,004,373	2,881,181	1,574,356	284,896	53,817	23,408
Other revenues	605,424	573,205	1,029,552	1,272,014	2,458,128	1,859,006	3,089,261	3,228,478	3,397,058	5,576,243
Total revenues	\$ 30,466,883	\$ 36,901,537	\$ 40,990,987	\$ 49,995,049	\$ 69,829,501	\$ 79,859,268	\$ 68,714,043	\$ 66,483,269	\$ 83,474,144	\$ 87,185,930
Expenditures:										
Current -										
General government	\$ 3,489,828	\$ 3,234,328	\$ 4,132,923	\$ 4,118,240	\$ 4,620,073	\$ 9,116,075	\$ 8,741,072	\$ 8,176,267	\$ 8,364,557	\$ 12,184,946
Public safety	11,910,044	11,514,788	13,322,440	14,309,389	17,415,423	21,579,173	26,644,563	26,989,915	34,893,280	34,260,842
Public works	4,886,254	3,769,896	3,908,421	4,787,679	5,917,153	8,836,988	10,584,274	8,885,685	7,378,256	17,248,448
Cultural and recreation	4,497,924	4,846,580	5,410,416	5,776,812	7,001,339	8,286,106	8,716,377	9,290,738	8,377,039	8,377,638
Economic development	1,283,781	1,234,514	1,404,916	1,961,868	2,557,163	2,864,539	3,467,383	3,428,467	2,652,601	2,261,268
Other expenses	-	-	-	-	-	-	-	11,500	3,000	43,874
Capital outlay	3,635,519	11,751,245	5,833,961	8,734,020	20,793,304	42,447,948	23,399,838	12,878,264	30,832,461	18,438,538
Debt service -										
Payment to bond escrow agent	-	-	660,060	-	-	-	-	-	-	-
Principal	1,515,254	3,338,249	2,270,869	2,452,119	2,827,984	3,128,174	2,097,825	4,790,762	4,464,510	5,285,055
Interest and fiscal charges	616,721	744,561	648,944	640,372	1,338,273	1,958,773	1,601,563	1,839,743	2,595,876	2,485,545
Bond issuance costs	-	-	113,371	386,061	135,027	-	-	85,097	50,249	-
Total expenditures	31,835,325	40,434,161	37,706,321	43,166,560	62,605,739	98,217,776	85,252,895	76,376,438	99,611,829	100,586,154
Excess of revenues over (under) expenditures	\$ (1,368,442)	\$ (3,532,624)	\$ 3,284,666	\$ 6,828,489	\$ 7,223,762	\$ (18,358,508)	\$ (16,538,852)	\$ (9,893,169)	\$ (16,137,685)	\$ (13,400,224)

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Changes in Fund Balances, Governmental Funds,

Last Ten Years

(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses):										
Issuance of general obligation bonds	\$ 5,000,000	\$ -	\$ -	\$ 5,500,000	\$ 7,000,000	\$ -	\$ -	\$ 25,554,472	\$ -	\$ -
Issuance of revenue bonds	-	-	4,465,000	18,130,000	-	-	-	-	-	-
Loan proceeds	-	1,371,188	-	215,556	-	2,696,286	231,639	9,886,100	337,259	5,179,765
Premium on sale of bonds	-	-	105,708	1,014,543	310,182	-	-	-	-	-
Sale of land proceeds	-	-	-	-	-	-	-	-	202,690	-
Transfer in	476,698	1,468,764	1,500,814	4,151,710	7,058,925	12,410,603	7,204,181	2,987,569	4,740,124	1,485,408
Payment to bond escrow agent	-	-	(3,347,215)	-	-	-	-	-	-	-
Transfer out	(476,698)	(1,468,764)	(1,500,814)	(4,151,710)	(7,058,925)	(12,410,603)	(7,204,181)	(2,987,569)	(4,740,124)	(1,485,408)
Total other financing sources (uses)	5,000,000	1,371,188	1,223,493	24,860,099	7,310,182	2,696,286	231,639	35,440,572	539,949	5,179,765

Net Change in fund balances \$ 3,631,558 \$ (2,161,436) \$ 4,508,159 \$ 31,688,588 \$ 14,533,944 \$(15,662,222) \$(16,307,213) \$ 25,547,403 \$(15,597,736) \$ (8,220,459)

Debt service as a percentage of noncapital expenditures 7.56% 10.89% 8.69% 7.70% 12.64% 9.02% 6.16% 9.92% 11.43% 9.07%

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico
Taxable and Full Value of Property
Last Ten Fiscal Years

Fiscal Year	Sandoval County										Rio Rancho Share in Sandoval County Net Taxable Value
	Residential property					Commercial Property					
	Taxable Value	Full Value	Taxable Value	Full Value	Less: Tax-exempt Property	Net Taxable Value	Full Value	Direct Tax Rate	Net Value Rio Rancho		
2002	1,087,166,242	3,261,498,726	468,369,933	1,405,109,799	125,337,156	1,430,199,019	4,541,271,369	7.98	362,529,693	25%	
2003	1,181,396,970	3,544,190,910	386,437,811	1,159,313,433	139,285,763	1,428,549,018	4,564,218,580	8.30	378,875,784	27%	
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.36	N/A	N/A	
2005	1,441,214,926	1,921,619,853	435,359,989	580,479,971	164,240,183	1,712,334,732	2,283,112,919	8.35	190,708,422	11%	
2006	1,702,012,677	2,269,350,179	467,597,877	623,463,820	175,879,345	1,993,731,209	2,658,308,212	7.96	211,601,334	11%	
2007	2,076,419,611	2,768,559,412	972,070,958	1,296,094,578	221,336,819	2,827,153,750	3,769,538,239	7.97	300,582,979	11%	
2008	2,352,908,682	3,137,211,498	1,015,360,974	1,353,814,598	241,137,494	3,127,132,162	4,169,509,445	7.91	329,683,112	11%	
2009	2,554,628,852	3,406,171,718	861,081,854	1,148,109,110	249,476,650	3,166,234,056	4,221,645,302	8.01	338,153,789	11%	
2010	2,579,985,543	3,439,980,638	1,010,359,661	1,347,146,181	277,937,023	3,312,408,181	4,416,544,131	8.17	360,964,152	11%	
2011	2,488,635,092	3,318,180,040	899,975,115	1,199,966,790	293,490,264	3,095,119,943	4,126,826,487	8.16	336,872,846	11%	

Source: Sandoval County Assessor's Office Valuation Summary 2002 through 2003, Sandoval County Assessor's Office Abstract 2005 through 2011.

Notes: No information is available for 2004.

City of Rio Rancho, New Mexico
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Schedule 6

Fiscal Year	City of Rio Rancho		Overlapping Rates						Total
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	Pres. Hospital (A)	
2002	5.983	2.000	7.983	1.123	5.713	10.750	3.008		28.577
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011		29.349
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019		30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038		29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027		29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992		28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989		28.413
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	32.901
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	33.757
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	34.444

Source: State of New Mexico Department of Finance and Administration

(A) - 2009 and 2010 are restated to separate out Presbyterian Hospital Rates

City of Rio Rancho, New Mexico
Principal Property Tax Payers
Current Year and Five Years Ago

Schedule 7

Tax Payer	2010 (A)		2005 (B)	
	Taxable Assessed Value	Percent of Total Taxable Valuation	Taxable Assessed Value	Percent of Total Taxable Valuation
PNM	\$ 44,738,224	2.18%	\$ 19,672,866	1.57%
Intel Corporation	25,615,490	1.25%	-	0.00%
Wal-Mart Stores	12,223,887	0.60%	-	0.00%
Broadstone High Resort LLC	10,174,752	0.50%	-	0.00%
Lowe's Home Centers	9,588,261	0.47%	-	0.00%
Sandia View LLC	9,412,457	0.46%	-	0.00%
Enchanted Vista Phase II	7,318,096	0.36%	-	0.00%
Rio Rancho Community I Inc.	6,699,409	0.33%	-	0.00%
Presbyterian Healthcare-4100 High Resort	6,388,090	0.31%	6,123,432	0.49%
Presbyterian Healthcare-4005 High Resort	6,183,147	0.30%	-	0.00%
Qwest	-	0.00%	5,040,773	0.40%
G & I III Pinnacle High Resort	-	0.00%	5,950,897	0.48%
Leisure Care, Inc.	-	0.00%	3,098,353	0.25%
U.S. Cotton	-	0.00%	2,826,114	0.23%
Meadowlark Apartments	-	0.00%	2,536,400	0.20%
Fulcrum Building, Inc.	-	0.00%	2,259,561	0.18%
Target	-	0.00%	2,043,463	0.16%
Total	<u>\$ 138,341,813</u>	<u>6.76%</u>	<u>\$ 49,551,859</u>	<u>3.96%</u>

Source: Sandoval County Assessor's Office

Note: The fiscal year for collection is November through October. This schedule uses the 2011 collection year valuation.

(A) - Information is not available of the tenth top taxpayer in FY10

(B) - Information is not available for nine (9) years prior.

City of Rio Rancho, New Mexico
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (A)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection (A)	Total Tax Collection	Ratio of Total Tax Collections to Total Tax		Outstanding Delinquent Taxes		Ratio of Outstanding Delinquent
		Amount (A)	Percentage							
2001	5,162,406	5,152,438	100%	4,742	5,157,180	100%		5,226		0%
2002	6,274,889	6,253,030	100%	12,696	6,265,726	100%		9,163		0%
2003	6,935,320	6,868,363	99%	46,857	6,915,220	100%		20,101		0%
2004	7,558,650	7,299,238	97%	191,081	7,490,319	99%		68,330		1%
2005	8,454,578	8,135,231	96%	231,028	8,366,259	99%		319,348		4%
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%		382,236		4%
2007	12,896,884	12,231,289	95%	422,973	12,654,262	98%		665,595		5%
2008	14,649,411	13,833,470	94%	519,749	14,353,219	98%		858,820		6%
2009	16,281,975	15,231,543	94%	462,192	15,693,735	96%		908,534		6%
2010	16,316,144	15,498,538	95%	-	15,498,538	95%		817,606		5%

Source: Sandoval County Treasurer's Office

(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

City of Rio Rancho, New Mexico
Taxable Gross Receipts by Type of Trade
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Construction	\$119,905,115	\$132,253,800	\$165,091,463	\$256,139,117	\$393,313,384	\$ 490,940,456	\$ 375,570,976	\$266,089,467	\$160,792,616	\$ 249,844,125
Manufacturing	10,354,938	11,248,498	9,832,558	8,021,933	8,226,714	14,124,152	10,518,506	12,671,847	5,160,066	7,616,958
Transportation, Communication and Utility	80,760,303	75,561,870	85,778,516	97,765,401	109,619,203	110,037,820	98,640,371	107,587,644	97,909,454	102,451,897
Wholesale	7,118,861	9,861,828	12,215,397	11,836,622	13,745,588	11,293,040	11,301,564	9,110,123	9,326,176	8,763,818
Retail	195,299,852	196,833,445	216,675,986	226,347,806	280,255,799	402,411,448	455,834,662	380,784,663	396,763,790	399,295,852
Finance, Insurance and Real Estate	7,629,312	10,546,012	10,239,936	14,928,802	32,469,846	32,486,743	29,108,506	20,584,655	25,015,494	24,603,362
Services	120,057,168	121,770,994	158,635,704	174,467,008	161,736,299	172,096,364	199,175,032	193,070,878	226,829,005	255,388,681
Other (A)	43,004	32,594,983	25,648,098	21,834,798	(9,632,397)	(22,743,369)	(102,518,633)	(20,924,025)	-	1,213,942
Total Taxable Gross Receipts	\$541,168,553	\$590,671,430	\$684,117,658	\$811,341,487	\$989,734,436	\$ 1,210,646,654	\$1,077,630,984	\$968,975,252	\$921,796,601	\$ 1,049,178,635
City direct sales tax rate	6.1875%	6.1875%	6.1875%	6.6875%	6.6875%	6.6875%	6.6875%	6.9375%	7.0625%	7.4375%
Sandoval County direct sales tax rate	5.7500%	5.7500%	5.7500%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.1250%	6.2500%

Source: State of New Mexico, Department of Taxation and Revenue

Notes: Unable to provide schedule of Principal Sales Tax Remitters, per New Mexico Taxation and Revenue Laws and Regulations 2004 Edition, section 7-1-8, Confidentiality of returns and other information.

(A) - This category is made up of "undetermined establishments" due to adjustments of monthly reportings by the state, therefore, negative amounts may be reported.

City of Rio Rancho, New Mexico

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (A)	Per Capita (B)
	General Obligation Bonds	GRT Revenue Bonds	Notes Payable	Revenue Bonds	Loan Payable				
2002	9,445,000	6,735,000	362,690	80,160,000	9,785,900	106,488,590	2.25%	1,975	
2003	8,740,000	4,285,000	1,645,773	78,110,000	10,486,627	103,267,400	2.38%	1,842	
2004	7,350,000	4,225,000	1,447,904	80,095,000	10,096,360	103,214,264	2.58%	1,754	
2005	11,270,000	21,840,000	1,306,341	134,340,000	9,694,384	178,450,725	1.64%	2,858	
2006	16,765,000	20,980,000	843,357	130,555,000	9,280,350	178,423,707	1.82%	2,687	
2007	15,075,000	20,225,000	2,856,469	159,655,000	8,853,895	206,665,364	1.68%	2,886	
2008	14,325,000	19,445,000	2,520,283	154,200,000	8,414,645	198,904,928	1.93%	2,618	
2009	36,075,000	18,645,000	11,665,621	158,460,000	8,032,219	232,877,840	1.74%	2,924	
2010	32,875,000	17,820,000	11,563,370	151,825,000	8,888,514	222,971,884	N/A	2,700	
2011	30,124,384	17,340,884	15,918,080	149,252,148	16,513,872	229,149,368	N/A	2,618	

Source: The City's Financial Records, Financial Services Department

(A) - This information uses Sandoval County Personal Income through 2009, this information is not available for 2010 and 2011.

(B) - No population information is available for Rio Rancho for 2011, therefore, the 2010 Census information is used for the 2011 per capita calculation.

City of Rio Rancho, New Mexico
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (A)
2002	9,445,000	744,387	8,700,613	1.07%	161.38
2003	8,740,000	1,406,030	7,333,970	0.85%	130.79
2004	7,350,000	1,383,965	5,966,035	0.64%	101.39
2005	11,270,000	1,296,944	9,973,056	0.95%	159.72
2006	16,765,000	1,469,470	15,295,530	1.22%	230.33
2007	15,075,000	1,506,930	13,568,070	0.74%	189.48
2008	14,325,000	3,584,693	10,740,307	0.51%	141.36
2009	36,075,000	3,893,758	32,181,242	1.48%	404.01
2010	32,875,000	4,039,681	28,835,319	1.33%	349.21
2011	29,575,000	4,180,471	25,394,529	1.24%	290.15

Source: The City's Financial Records, Financial Services Department

(A) - This information uses the Bureau of Business and Economic Research (BBER) City of Rio Rancho population estimation. No information is available for 2011, therefore, the 2010 Census population is used for the per capital calculation.

City of Rio Rancho, New Mexico
Computation of Direct and Overlapping Debt
As of June 30, 2011

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage (A)</u>	<u>Estimated Share Applicable to City</u>
Debt repaid with property taxes			
State of New Mexico	\$ 355,500,000	3.93%	\$ 13,971,150
Sandoval County	21,035,000	64.11%	13,485,538
Central NM Community College	66,935,000	12.52%	8,380,262
SSCAFCA	18,510,000	82.41%	15,254,091
Rio Rancho School District	101,430,000	95.94%	97,311,942
Subtotal, overlapping debt			148,402,983
City direct debt			62,153,080
Total direct & overlapping debt			\$ 210,556,063

Source: Sandoval County Assessor's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Rio Rancho. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(A) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

City of Rio Rancho, New Mexico
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011
 Assessed value \$2,049,032,995
 Debt limit (4% of assessed value) 81,961,320
 Debt applicable to limit:
 General obligation bonds 29,575,000
 Less: Amount set aside for
 repayment of general obligation debt 4,180,471
 Total net debt applicable to limit 25,394,529
 Legal debt margin \$56,566,791

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 32,608,188	\$ 34,478,085	\$ 37,001,873	\$ 41,810,547	\$ 49,987,941	\$ 73,611,213	\$ 83,765,112	\$ 86,731,396	\$ 86,824,311	\$ 81,961,320
Total net debt applicable to limit	8,700,613	7,333,970	5,966,035	9,973,056	15,295,530	13,568,070	10,740,307	32,181,242	28,835,319	25,394,529
Total net debt applicable to the limit as a percentage of debt limit	26.68%	21.27%	16.12%	23.85%	30.60%	18.43%	12.82%	37.10%	33.21%	30.98%

Sources: The City's Financial Records, Financial Services Department and the Sandoval County Assessor's Office

City of Rio Rancho, New Mexico
Pledged Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Receipts Tax Bonds				Business-Type Bonds					
	Gross Receipts Tax Increment	Debt Service Requirements			Gross Revenues	Expenditures (A)	Debt Service Available for	Debt Service Requirements		
		Principal	Interest	Total				Principal	Interest	Total
2002	872,032	680,000	368,836	1,048,836	16,460,803	8,966,365	7,494,438	1,670,000	4,318,880	5,988,880
2003	3,664,165	*2,450,000	264,056	2,714,056	16,557,012	21,758,570	(5,201,558)	2,050,000	4,195,938	6,245,938
2004	1,608,954	683,000	179,113	862,113	18,145,771	11,286,038	6,859,733	2,410,000	4,042,563	6,452,563
2005	762,300	515,000	137,581	652,581	20,900,461	19,513,838	1,386,623	2,730,000	4,047,077	6,777,077
2006	1,892,470	860,000	837,724	1,697,724	32,117,610	21,875,800	10,241,810	3,785,000	6,550,574	10,335,574
2007	1,704,815	755,000	938,480	1,693,480	31,911,403	24,744,962	7,166,441	3,830,000	6,342,361	10,172,361
2008	1,605,009	780,000	917,193	1,697,193	44,854,329	25,849,840	19,004,489	5,455,000	7,915,038	13,370,038
2009	1,753,444	800,000	904,774	1,704,774	38,515,780	27,985,218	10,530,562	5,950,000	7,817,123	13,767,123
2010	1,479,217	825,000	868,496	1,693,496	39,397,283	30,617,272	8,780,011	6,635,000	6,850,531	13,485,531
2011	1,266,581	1,160,000	823,860	1,983,860	40,179,767	33,338,420	6,841,347	6,620,000	6,843,524	13,463,524

Source: The City's Financial Records, Financial Services Department

(*) - The 2003 refunding bonds did not require a reserve, therefore, the City used the 1995 reserve requirement to make additional payments on the 1995 bonds.

(A) - Expenditures are calculated by adding the Operating and Nonoperating Expenses from the Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Funds.

City of Rio Rancho, New Mexico
Demographics and Economic Statistics
Last Ten Fiscal Years

Year	City		County Population	Personal Income	Per Capita Personal Income			Unemployment Rate		
	Population				U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2002	53,915		93,134	2,398,481	30,838	24,330	25,080	5.80%	5.50%	5.80%
2003	56,074		95,632	2,454,258	31,530	24,975	24,958	6.00%	5.90%	5.90%
2004	58,845		98,335	2,661,046	33,157	26,366	26,293	5.50%	5.80%	5.50%
2005	62,440		101,206	2,991,129	35,424	28,876	28,293	5.10%	5.20%	5.10%
2006	66,407		105,625	3,319,055	37,698	30,513	29,620	4.60%	4.20%	4.40%
2007	71,607		111,855	3,632,911	39,392	32,018	30,833	4.60%	3.50%	4.00%
2008	75,978		117,583	3,907,458	40,166	33,609	31,907	5.80%	4.20%	4.90%
2009	79,655		122,298	4,053,341	39,635	33,267	32,172	9.30%	7.20%	8.20%
2010	87,521		131,561	N/A	39,945	33,368	N/A	9.60%	8.40%	9.30%
2011	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Bureau of Business and Economic Research (BBER).

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city.

No information except city and county population and NM per capita personal income is available for 2010.

No information is available for 2011.

City of Rio Rancho, New Mexico
Principal Employers
Current Year and Ten Years Ago

Schedule 16

<u>Employer (B)</u>	<u>2011 (A)</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Intel Corporation	3,171	1	6%	5,800	1	21%
Rio Rancho Public Schools	2,382	2	5%	1,042	4	4%
Intel Subcontractors		3	0%	2,000	2	7%
Hewlett-Packard	998	4	2%	-		0%
Sprint PCS	820	5	2%	1,200	3	4%
Bank of America Banking Services		6	0%	400	8	1%
City of Rio Rancho	685	7	1%	470	6	2%
E Telecare Global Solution		8	0%	-		0%
Brycon Construction	500	9	1%	-		0%
Sandoval County	451	10	1%	-		0%
Victoria's Secret Catalogue			0%	681	5	3%
JC Penney Company				-		0%
Don Chalmers Ford				170	10	1%
Spartan Technology				-		0%
Gateway Computers				455	7	2%
U.S. National Guard Hawk Facility				300	9	1%
Total Major Employers-Sandoval County *	<u>9,007</u>			<u>12,518</u>		
Total Sandoval County Employment **	<u>51,685</u>			<u>27,116</u>		

Sources: (*) Rio Rancho Chamber of Commerce April 2009

(**) New Mexico Department of Labor, Economic Research and Analysis, 2009

(A) -Most current data available is from the 2009 Rio Rancho Economic Development Corporation Annual Survey.

(B) -Companies, within the top ten ranking, that do not have an employee count listed were not available.

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City of Rio Rancho, New Mexico
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
City Administration	10	11	11	12	3	4	5	6	5	5
Human Resources	11	11	13	13	11	10	10	9	8	6
City Clerk	4	4	4	4	4	4	4	4	4	4
City Attorney	5	5	5	5	5	6	7	7	6	6
Municipal Court	12	12	12	12	12	13	13	13	12	12
Finance	17	18	18	19	30	30	35	29	34	34
Public Safety										
Police	103	101	101	106	118	123	124	127	127	127
Firefighters	43	49	46	50	56	99	100	101	100	99
Civilians	52	58	70	66	72	90	88	86	87	88
Public Works										
Engineering	7	8	8	9	13	21	25	27	25	21
Others	50	50	50	53	65	77	75	74	71	68
Parks and Recreation	73	69	75	75	78	110	132	139	115	92
Senior Services	15	15	15	15	18	17	17	8	15	8
Library and Information Services	19	19	22	25	30	36	36	38	35	36
City Development	21	22	20	20	32	40	42	36	32	29
Special Funds	12	10	8	8	11	14	14	20	5	15
Water and Wastewater	25	25	29	32	36	41	42	38	35	35
Total	479	487	507	524	594	735	769	762	716	685

Source: City of Rio Rancho Annual Budget

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Rio Rancho, New Mexico
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Police						
Total Violent Crimes (A)	776	927	886	920	946	652
Total Property Crimes (B)	1,399	1,775	1,961	1,709	1,686	901
Total Warnings & Citations (C)	24,305	23,840	27,250	21,082	19,898	9,116
Total Arrests (D)	3,008	3,337	3,620	3,613	3,477	2,226
Total Traffic Crashes (E)	1,791	2,008	1,856	1,576	1,593	1,844
Total Incident Reports (F)	3,586	8,881	9,045	9,485	8,716	5,284
Total Calls for Service (G)	39,165	36,271	49,842	44,651	43,618	45,928
Fire						
Total Structural Fires	25	29	46	54	59	62
Total Fire Inspections	999	901	1,049	736	1,087	1,148
Total Calls for Service	1,582	1,372	1,693	1,508	9,505	10,261
EMS						
Total EMS Patients	4,345	5,141	-	-	-	-
Total Patient Transports	3,056	3,407	4,129	4,122	4,089	-
Total Calls for Service	4,764	5,243	6,330	7,481	5,896	5,956
Animal Control (H)						
Total Impounds	2,330	2,417	2,543	2,584	2,308	2,201
Total Claims	617	754	830	914	856	736
Total Adoptions	851	724	988	854	830	781
Total Euthanasia	674	732	663	758	574	684
Total Complaints	4,755	4,740	5,193	5,821	5,666	5,658
Code Enforcement (I)						
Total Inspections	8,043	10,010	7,055	6,989	9,430	8,884
Total Citations	280	260	479	369	489	511
Public Works						
Total Utility Cuts	390	-	-	-	-	-
Total Potholes Repaired	971	423	1,385	592	590	1,041
Parks & Recreation						
Total Program Participation-Youth	20,961	19,632	22,620	9,149	8,311	13,221
Total Program Participation-Adult	18,638	6,556	6,621	3,969	8,581	1,672
Total Program Participation-Aquatics	7,050	2,897	2,935	4,321	3,966	3,865

City of Rio Rancho, New Mexico

Schedule 18

Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Library					
Total Collection	146,626	154,258	166,857	174,388	183,554
New Items Added	23,233	17,288	23,501	23,800	24,351
Items Withdrawn	7,252	9,656	10,902	16,269	15,185
Collection Growth	15,981	7,632	12,599	7,531	9,166
Circulation Stats:					
Visitors	224,977	216,106	256,734	354,985	354,411
Circulation	171,156	296,142	426,653	543,528	605,737
Computer Usage	31,711	32,931	61,358	85,938	95,998
Program Attendance	5,578	15,597	24,074	26,016	25,489
Transit (J)					
Total Clients Registered	3,172	3,356	3,665	3,955	4,229
New Clients Registered	184	309	290	274	88
Total Fare Cards Sold (K)	1,905	1,809	1,999	2,052	929
Total Trips in Rio Rancho	26,804	25,262	13,633	16,037	7,609
Total Trips to Albuquerque	6,212	6,115	2,983	2,310	692
Purpose of Trips:					
Medical	9,906	7,220	4,538	4,442	2,060
Personal Errands	3,307	5,645	2,830	4,936	2,118
Work	13,153	9,624	6,067	6,359	3,199
City Facilities	2,846	4,252	1,725	1,769	843
Education	4,004	4,636	1,456	944	76
Total Miles Traveled	133,672	142,273	127,576	132,971	N/A

Sources: Various City Departments

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

(A) Data was restated to include June information for 2010. Data not available for March through June 2011.

(B) Data was restated to include June information for 2010. Data not available for March through June 2011.

(C) Data was restated to include March through June information for 2010. Data not available for March through June 2011.

(D) Data was restated to include June information for 2010. Data not available for March through June 2011.

(E) Data was restated to include June information for 2010.

(F) Data was restated to include June information for 2010. Data not available for March through June 2011.

(G) Data was restated to include June information for 2010. Data not available for March through June 2011.

(H) Data was restated to include June 2010 information for all animal control categories.

(I) Data was restated to include June 2010 information for both code enforcement categories.

(J) Beginning in January 2010, the transit system is no longer run by the City of Rio Rancho.

(K) Selling fare cards for the Rio Metro Transit system is the only function that the City currently continues to do with regards to transit.

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

Schedule 19

Function/Program	Fiscal Year					
	2006	2007	2008	2009	2010 ¹	2011
<u>Police</u>						
Main Stations	1	1	1	1	1	1
Substations (E)	4	4				
Patrol Units (H)	152	178	181	180	126	139
<u>Fire</u>						
Main Stations	2	5	6	5	5	5
Substations	4	1	1	1	1	1
Firetrucks	11	15	15	15	17	19
<u>EMS</u>						
Ambulances	7	8	9	9	11	11
<u>Animal Control</u>						
Patrol Units	7	7	7	7	7	7
<u>Public Works</u>						
Streets (centerline miles) (I)	831	831	837	846	428	448
Streetlights	1,156	2,544	2,604	2,710	2,770	2,843
Traffic Signals (Signalized Intersections)	35	42	45	45	49	49
Sidewalks & Paths (J)	121	121	123	134		
<u>Parks & Recreation</u>						
New/Renovated Park Facilities	2	3	2	1	10	1
Developed Parkland (acres) (R)	242	285	304	311	287	287
Constructed Trailways (linear feet) (A)	53,873	57,516	64,380	64,380	64,380	65,150
<u>Transit</u>						
Mini buses (K)	7	7	8	8		
<u>Water</u>						
Water mains (miles)	385	388	395	403	552	563
Fire hydrants	24,950	25,822	25,866	25,939	3,768	3,870
New Connections (F)		1,381	1,040	668	472	348
Water main breaks (G)		32	39	37	43	49
Storage capacity (thousands of gallons) (B)	31.0	31.0			34,500	34,500
Average daily consumption (thousands of gallons) (C)		10,409	11,745	11,814	10,616	11,621
Booster Stations (L)					8	8
Wells (in production) (M)					19	17
Storage Tanks (N)					18	18
Arsenic Treatment Facilities (O)					8	10
<u>Wastewater</u>						
Sanitary sewers (miles)	335	337	343	351	355	368
Average daily treatment capacity (thousands of gallons) (D)	4,176	4,565	4,954	4,863	4,875	4,324
Wastewater Treatment Plants (P)					6	5
Lift Stations (Q)					28	28

Sources: Various City Departments

City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

Schedule 19

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

I. The City established a baseline for restatement of capital asset statistics for fiscal year ending June 30, 2010. Baseline figures were primarily obtained from the City's Geographic Information System (GIS).

(A) Amended the linear feet of constructed trailways for fiscal year 2006 to correctly state the starting point.

(B) The City chose to no longer track the water storage capacity beginning in fiscal year 2008, however began tracking again in fiscal year 2010.

(C) The City chose to begin tracking the average daily water consumption beginning in fiscal year 2007.

(D) Amended the wastewater treatment capacity beginning with fiscal year 2006 to be an average daily treatment capacity in thousands of gallons.

(E) Police and Fire no longer under the same department. Substation numbers for police reported to Finance in error. Restatement of substations for police for fiscal year 2008.

(F) Utility department began tracking new connections. Addition of data for fiscal year 2007 and 2008.

(G) Utility department began tracking water main breaks. Addition of data for fiscal year 2007 and 2008.

(H) Amended the number of patrol units to correctly state the baseline point. Previous year's reporting included all law enforcement vehicle fleet. Beginning in fiscal year 2010, only patrol units are reported

(I) Amended the centerline miles of paved roadway for fiscal year 2010 to correctly state the baseline point. Previous year's reporting was presumably based on a lane mile unit of measure.

(J) Public Works department discontinued tracking sidewalks beginning in fiscal year 2010. Sidewalks are considered part of the roadway/street infrastructure.

(K) On Dec. 16, 2009, the Rio Rancho City Council adopted a Resolution No. 134, ENACT 09-134 to transfer the city's Rio Transit Program to the Mid-Region Council of Governments and their Rio Metro Regional Transit District, effective Jan. 1, 2010.

(L) Public Works department began tracking number of booster stations beginning in fiscal year 2010.

(M) Public Works department began tracking number of wells beginning in fiscal year 2010.

(N) Public Works department began tracking number of water storage tanks beginning in fiscal year 2010.

(O) Public Works department began tracking number of arsenic treatment facilities beginning in fiscal year 2010.

(P) Public Works department began tracking number of wastewater treatment plants beginning in fiscal year 2010.

(Q) Public Works department began tracking number of lift stations beginning in fiscal year 2010.

(R) Amended the number of develop parkland for fiscal year 2010 to correctly state the baseline point.

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SINGLE AUDIT SECTION

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, the combining and individual funds, fiduciary funds and related budgetary comparisons presented as supplemental information of the City of Rio Rancho (the City) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, which we consider to be a significant deficiency in internal control over financial reporting. This is listed as finding 2009-05 in the schedule of findings and questioned costs. *A significant deficiency* is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted a certain other matter that is required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as finding 2011-01.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Albuquerque, New Mexico
November 30, 2011

**Independent Auditor's Report on Compliance with Requirements That
Could Have a Direct and Material Effect on Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133**

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Compliance

We have audited the compliance of the City of Rio Rancho (the City) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. We did not identify instances of noncompliance.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose

of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, as described in the accompanying schedule of findings and questioned costs as item 2009-05. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Albuquerque, New Mexico
November 30, 2011

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Assistance to Firefighters Grant	97.044	EMW-2006-FF-04638	223,560
Passed through New Mexico Department of Homeland Security:			
Emergency Management Performance Grants	97.042	2010-EP-EO-0022	59,070
Homeland Security Grant Program	97.067	2009-SS-T9-000030	59,818
Homeland Security Grant Program	97.067	2010-SS-T0-0011RR	4,681
Total U.S. Department of Homeland Security			347,129
<u>U.S. Department of Justice</u>			
Direct Program:			
Crime Victims Assistance	16.575	2009-VA-GX-0063	20,844
Crime Victims Assistance	16.575	2010-VA-559	953
Federal Surplus Property Transfer Program	16.578	N/A	67,974
Violence Against Women Formula Grants	16.588	2009-EF-S6-0049	19,692
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0948	3,121
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0174	51,996
Bulletproof Vest Partnership Program	16.607	322023601	8,104
Bulletproof Vest Partnership Program	16.607	BA-2000S-FC01	2,400
Passed through New Mexico Department of Public Safety Grant Management Bureau:			
Edward Byrne Memorial Formula Grant Program	16.579	3900003800	7,966
Project Safe Neighborhoods	16.609	10-PSN-NMGTF-SFY11	11,030
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-NMGTF-SFY11	40,552
Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-JAG-NMGTF-SFY10	162,737
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MOU	4,669
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	09-RA-JAG-RR-NMGTF-SFY10	469,251
Total U.S. Department of Justice			871,289
<u>U.S. Department of Agriculture Food and Nutrition Service</u>			
Passed through New Mexico Department of Children Youth and Family:			
National Summer Lunch Program	10.555	3185	152,049
Total U.S. Department of Agriculture Food and Nutrition Service			152,049
<u>U.S. Department of Energy</u>			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	09SC004700	293,661
Total U.S. Department of Energy			293,661
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant/Entitlement Grants	14.218	B-08-MC-35-004	19,289
Community Development Block Grant/Entitlement Grants	14.218	B-09-MC-35-004	85,207
Community Development Block Grant/Entitlement Grants	14.218	B-10-MC-35-004	224,932
Total U.S. Department of Housing and Urban Development			329,428
<u>U.S. Department of Protection Agency Office of Water</u>			
Passed through New Mexico Finance Authority:			
Recovery Act - Capitalization Grants for Drinking Water State Revolving Funds	66.468	2317-ADW	1,831,887
Total U.S. Department of Protection Agency Office of Water			1,831,887
<u>U.S. Department of Interior Bureau of Reclamation</u>			
Direct Program:			
Water Conservation Field Services Program (WCFSF)	15.530	R10AP40016	11,753
Total U.S. Department of Interior Bureau of Reclamation			11,753
<u>U.S. Department of Education</u>			
Passed through New Mexico Department of Finance and Administration:			
State Fiscal Stabilization Fund (SFSF) Government Services, Recovery Act	84.397A	GSF-DFA-03-RRFS	993,175

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>
			<u>993,175</u>
<u>U.S. Department of Transportation Federal Highway Administration (FHWA)</u>			
Passed through New Mexico Department of Transportation:			
Highway Planning and Construction	20.205	CN#2954	1,139,327
Highway Planning and Construction	20.205	HPP-4007(1)03	3,298,585
Highway Planning and Construction	20.205	CN#ESL3137	4,110,970
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-AL-64-P23	108,370
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-PT-02-P03	43,616
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10-AL-164-081	34,839
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-AL-64-081	54,879
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-PT-02-P03	68,181
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-AL-64-P23	187,500
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-OP-CIOT-081	3,902
Total U.S. Department of Transportation			<u>9,050,169</u>
Total expenditures for federal awards			<u><u>\$ 13,880,540</u></u>

CITY OF RIO RANCHO, NEW MEXICO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rio Rancho, New Mexico and is presented on the modified accrual basis of accounting for governmental funds and on the accrual basis of accounting for proprietary funds. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*.

NOTE 3 – NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City had no non-cash assistance outstanding at year-end, however, \$938,772 of loans, and loan agreements were outstanding at year-end.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified that are not considered to be a material weakness(es)? X yes no

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency identified that are not considered to be a material weakness(es)? yes X no

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

 X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction
66.468	ARRA-Capitalization Grants for Drinking Water State Revolving Funds
84.397A	State Stabilization -Vista Hills Fire Station
16.804/16.738	NM Gang Task Force/Justice Assistance Grant
81.128	Economic Efficiency Community Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$416,416

Auditee qualified as low-risk auditee?

 X yes no

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION II - FINANCIAL STATEMENT FINDINGS

2011-01 Compliance Requirements (non-compliance)

Condition: During internal control and compliance test work performed in accordance with the NM State Audit Rule, we identified the following issues:

1. During per diem test work, we noted out of 22 employee reimbursements tested, one did not undergo a thorough review process before payment was rendered to the employee and the employee was overpaid by \$6.50 for partial day per diem. We noted a corrective action was taken where the employee reimbursed the City, after we brought this to the City's attention.
2. During test work over the City's credit card purchases, we identified one instance out of 22 credit card statements reviewed, where an employee was charged gross receipts taxes on a purchase of work supplies for the City.

Criteria:

1. Before reimbursements are disbursed to employees, the supporting documentation should be reviewed in accordance with the City's Travel and Mileage Advances and Reimbursements Chapter 2 Article 14. Furthermore, the difference in time departed and the time returned should be recalculated for accuracy of determining the correct reimbursement for partial day per diem rates.
2. Because the City is a tax exempt entity, they are not supposed to pay gross receipts/sales taxes on any purchases.

Cause:

1. Lack of adequate review of the employee's hours traveled that correspond with the partial day per diem rate.
2. Lack of thorough review of credit card receipts included as support with monthly credit card statements. Additionally, employees should be reminded that the City is a tax exempt agency and should not pay taxes on purchases.

Effect:

1. The employee was inappropriately reimbursed for an additional \$6.50 for partial day per diem.
2. As a tax exempt entity, the City is not in compliance with their credit card usage policy and is inappropriately paying gross receipts taxes. After this was brought to management's attention, the vendor reimbursed the City for the tax amount on August 2011.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

Recommendation:

1. We recommend the City ensure a proper review process for all employee reimbursement requests and to make certain the employee(s) responsible for review are suitably trained on the City's Travel Policy.
2. We recommend a more thorough review of supporting documentation with credit card statements and additional training of credit card holders regarding the City's policy.

Agency Response:

1. The City has travel policies and procedures in place and has recognized that this one employee was overpaid and has since reimbursed the City for the overpayment. Additional training will be provided to the user departments, and the reviewers, in particular. The City will continue to closely monitor all per diem requests and assure proper calculations are done.
2. The City has Purchasing Policies and Procedures in place and has recognized that one employee overlooked the vendor charging gross receipt tax on a tangible item. Additional training will be provided to the user departments. The City will continue to closely monitor all P-card transactions to ensure that all tangible purchases are not charged tax. If the vendor inadvertently charges tax, the City will require the employee to promptly request credit from the vendor.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

**2009-05 Reconciliation of Federal Awards and Expenditures - Repeated and Modified
(significant deficiency - -Government Auditing Standards and OMB finding)**

No questioned costs related to any federal programs

Condition: During federal revenue and expenditure test work, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

20.205: Upon review of the detail of expenditures for these projects, we identified errors in the amounts reported on this schedule to the amounts on the detailed reports. These amounts were changed based on review of the detailed expenditures, less 20% which is the non-federal portion of the project expenses. A journal entry of approximately \$1 million was required to more fairly state federal revenue and receivable.

66.468: Based on our review of the project spreadsheets for the Well 12 grant activity, we identified that current year expenditures were understated on the federal expenditure schedule by \$1,026,571 and current year cash receipts were understated by \$938,162. A journal entry was recorded to more fairly state these balances.

Criteria: In accordance with Generally Accepted Accounting Principles the matching principle should be applied to properly match revenues and expenses during the fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires good accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

Cause: Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

Effect: Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

Recommendation: We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. In addition, we encourage stronger communication between the City's Financial Services Department Divisions and the user Departments.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION II - FINANCIAL STATEMENT FINDINGS (Concl'd)

Agency Response:

20.205: The City is continuously working with departments to establish processes to ensure proper accounting of federal funds and City funds (match). Additional training will be provided that communicates to the user Departments the need to utilize the appropriate match ratio when receipting each and every project invoice.

The Financial Services Department does not prepare the purchase orders for new federally funded projects; this is done by the user Department. In the future, the Financial Services Department Accounting Division will make every attempt to reconcile federal revenues and expenditures on a monthly basis in order to assure these invoices are being receipted properly.

66.468: The Accounting Staff was unaware that \$938,162 of NMFA loan proceeds were in fact federal loan proceeds. In the future, the Accounting Staff will inquire as to funding sources to ensure proper classification of federal funds.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2009-05 Reconciliation of Federal Awards and Expenditures - Repeated and Modified
(significant deficiency - -Government Auditing Standards and OMB finding)**

No questioned costs related to any federal programs

Condition: During federal revenue and expenditure test work, we noted a lack of an adequate reconciliation process between federal revenue received and federal expenditures incurred during the year. Specifically, the following issues were encountered:

20.205: Upon review of the detail of expenditures for these projects, we identified errors in the amounts reported on this schedule to the amounts on the detailed reports. These amounts were changed based on review of the detailed expenditures, less 20% which is the non-federal portion of the project expenses. A journal entry of approximately \$1 million was required to more fairly state federal revenue and receivable.

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Cause: Lack of review process over the federal revenue schedule and lack of adequate internal communication with those who compile the supporting documentation for federal revenues and expenditures and the finance department.

Effect: Federal revenues and expenditures could be misstated during the year. In addition, the City could misstate their federal reimbursements and potentially misstate federal reports compiled during the year.

Recommendation: We recommend the City implement a process where the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. In addition, we encourage stronger communication between the City's Financial Services Department Divisions and the user Departments.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concl'd)

Agency Response:

20.205: The City is continuously working with departments to establish processes to ensure proper accounting of federal funds and City funds (match). Additional training will be provided that communicates to the user Departments the need to utilize the appropriate match ratio when receipting each and every project invoice.

The Financial Services Department does not prepare the purchase orders for new federally funded projects; this is done by the user Department. In the future, the Financial Services Department Accounting Division will make every attempt to reconcile federal revenues and expenditures on a monthly basis in order to assure these invoices are being receipted properly.

66.468: The Accounting Staff was unaware that \$938,162 of NMFA loan proceeds were in fact federal loan proceeds. In the future, the Accounting Staff will inquire as to funding sources to ensure proper classification of federal funds.

**CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011**

STATUS OF FINANCIAL STATEMENT FINDINGS

Finding No. 2010-01 ACCOUNTS PAYABLE
Status: Resolved

Finding No. 2009-01 SUPERVISOR APPROVAL ON TIMESHEETS
Status: Resolved

Finding No. 2009-02 PER DIEM REIMBURSEMENTS
Status: Repeated and Modified as finding 2011-01

Finding No. 2009-05 RECONCILIATION OF FEDERAL REVENUES AND
EXPENDITURES
Status: Repeated and Modified

Finding No. 2008-03 DEVELOPER CONTRIBUTIONS
Status: Resolved

CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
JUNE 30, 2011

An exit conference was held at a closed meeting on November 28, 2011, to discuss the preceding findings. Attending were the following persons.

For the City of Rio Rancho:

Michael J. Williams, Councilor, District 1
Steven L. Shaw, Councilor, District 4
James C. Jimenez, City Manager
Olivia Padilla-Jackson, Finance Director
Judy Dolley, Deputy Finance Director
Marta Ortiz, Accounting Division Manager

For the Independent Auditor:

Georgie Ortiz, CPA, CGFM, Assurance Principal
Laura Beltran-Schmitz, CPA, CFE, CGFM, Assurance Manager

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